

Government of India

ECONOMIC SURVEY

1968-69

FD. 170 69.

6,000.

Price: Rs. 3/- or 7 sh. or 1 \$

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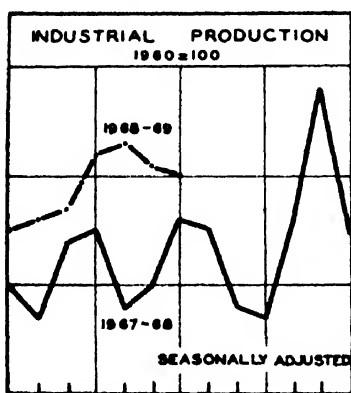
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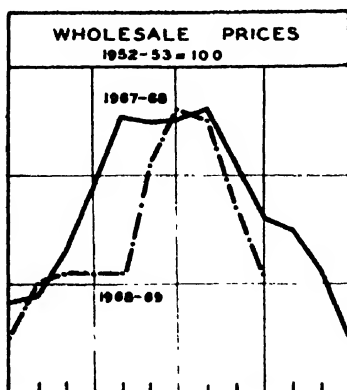
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SELECTED ECONOMIC INDICATORS

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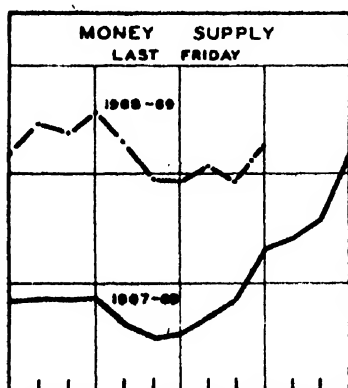
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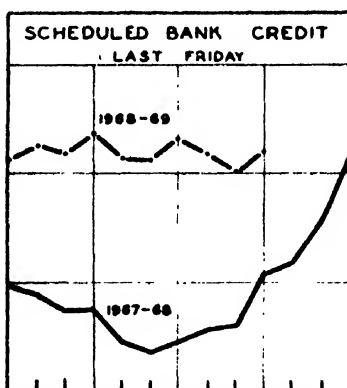
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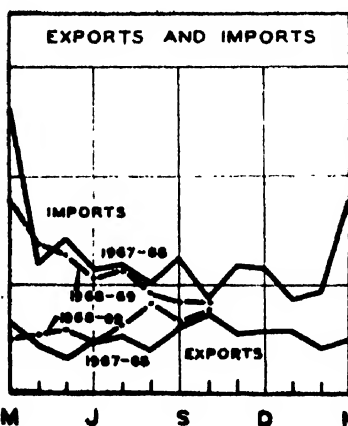
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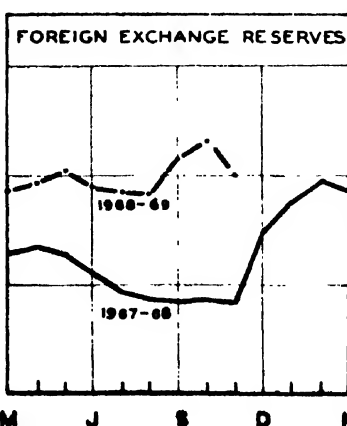
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I—INTRODUCTION

The process of recovery from the previous two years of an abnormal drought and an unwanted war, which began in 1967-68, was continued during the year under review. National income had risen by 8.9 per cent in 1967-68 as a result of more normal monsoons, reversing the trend of the two previous years and resuming the growth trend interrupted in 1965-66. This had happened though there was only a marginal increase in industrial production. Although agriculture could not be expected to repeat the spectacular increase of 1967-68, performance this year confirms that the improvement recorded last year was not fortuitous. In addition, there has been a revival in industrial production, and a growth in industrial output of 5 to 6 per cent can be confidently expected. Altogether, national income may be expected to increase by about 3 per cent. There has also been a return to stability in prices and a striking improvement in the balance of payments.

2. In 1966-67 and 1967-68, the general level of prices had increased by 15.9 per cent and 11.1 per cent respectively. By contrast, the average wholesale price index in December, 1968 was 2.2 per cent lower than a year ago. In 1966-67, the net decline in our foreign exchange reserves amounted to \$ 118 million because of a drawing of \$ 130 million from the International Monetary Fund. In 1967-68, however, there was a net increase of \$ 48 million in the reserves even though we obtained \$ 90 million of compensatory financing from the IMF. During the current year, there has been a sharp increase in exports and a reduction in imports. Therefore, in spite of lower aid commitments than envisaged and higher debt repayments it should be possible to end the year without any significant variation in reserves and with an appreciable reduction in our indebtedness to the IMF.

3. Looking back, the interregnum since 1964-65 has not been without its gains. The speed and efficiency with which a large public distribution system was set up and worked and the way in which the emergency created by the famine in Bihar was tackled was a major achievement. The emergency also indicated the basic vulnerability of the Indian economy on the food front and pointed to the need for policy measures to attain a viable food economy. Not only was the need to increase food production highlighted but also the need for a mechanism which would insulate the food consumption of the population from fluctuations in agricultural output inevitable in a large country like India with a predominantly rainfed cultivation. Also, the intimate connection, direct as well as indirect, between the development of agriculture and the development of industry was clearly revealed. Since increasing agricultural output entailed preeminently increasing yields per hectare, this meant increasing quantitatively as well as qualitatively the inputs like seed, fertilizer, water and pesticides

that go into agriculture. This in turn emphasised the need for the relatively more rapid development of industries producing fertilizers, pesticides and agricultural machinery than hitherto contemplated.

4. The reaction to this situation has been both quick and meaningful. A new agricultural strategy, involving the massive use of fertilizers, pesticides, better seed and water, was adopted in 1966, and its application is being extended to wider and wider areas as the supplies of these inputs increase. A closer relationship has been established between research and the dissemination in the field of the results of such research. Experience of the application of the strategy this year and last year suggests that we are on the right road to rapid agricultural growth, provided the supplies of inputs increase adequately, and the organisational structure of research, credit and extension continues to be developed. Adequate supplies of fertilizers and pesticides are to be made available through domestic production and imports. The programme for the multiplication and distribution of high yielding varieties of seeds is being actively pursued. Minor irrigation is being extended. Arrangements are being made for the expansion of credit facilities. The availability of inputs is thus likely to be adequate in the near future.

5. Simultaneously, a decision to establish a buffer stock of foodgrains has been taken. To this end as also to restore consumption to more satisfactory levels, imports of foodgrains will be necessary for some more time. Once a satisfactory trend in domestic production is established buffer stock operations should make it possible to prevent prices from falling unduly in good years and to contain inflationary pressures in bad years. In addition stability in prices of farm products would contribute to an increase in output over a period of time by providing a stable framework for investment in agriculture.

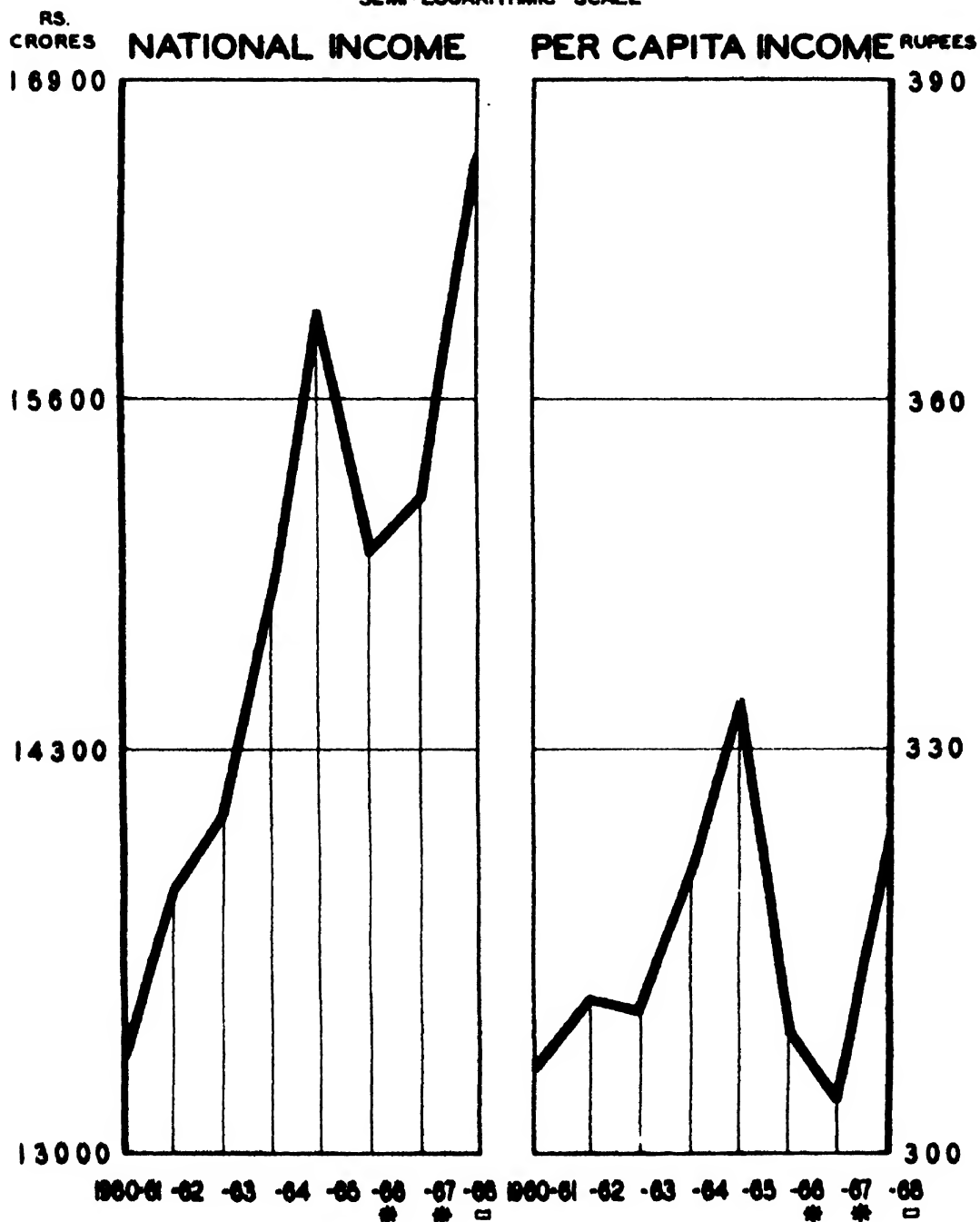
6. The unsatisfactory performance of Indian exports had been a handicap as much as unsatisfactory agricultural growth has been an impediment to overall growth. Export performance last year as well as the spurt this year seems to indicate that here too a proper combination of production facilities and policy measures is being achieved. A major portion of the increase in Indian exports has come from iron and steel and engineering goods, and there are indications that exports of engineering goods in particular can be increased still further, provided the objective is pursued with the same vigour as in these two years. There is greater awareness now of the need for increased and diversified exports, particularly in view of the uncertain aid climate, and at the same time there is a keener realisation of the necessity to remove certain structural disadvantages which Indian industry has developed because it was more or less wholly oriented towards import substitution.

NET NATIONAL PRODUCT [NATIONAL INCOME]

(AT 1960-61 PRICES)

REVISED SERIES

SEMI-LOGARITHMIC SCALE



7. While the restoration of a measure of stability to the economy has been welcome, it has to be recognised that this has been possible as a result of considerable restraint on development outlays. With the problems of food, inflation and external viability being overcome, it should be possible for the economy now to turn to the task of long run growth.

TABLE 1

Selected Economic Indicators

	1965-66 (Per cent	1966-67 change	1967-68 over previous	1968-69 year)
1. National income at constant prices	-5.7	+1.1	+8.9	+3.0†
2. Agricultural production	-16.3	-0.5	+22.6	
3. Foodgrains production	-19.1	+3.1	+28.8	
4. Industrial production	+4.2	+1.7	+0.2	+5.4*
5. Electricity generated	+10.3	+9.3	+12.6	+15.8*
6. Wholesale prices	+8.1	+15.9	+11.1	-1.9**
7. Money supply	+10.7	+8.3	+9.1	-0.3**
8. Imports	+4.4	-6.3	-5.0	-5.8*
9. Exports	-1.3	-8.9	+3.7	+17.5*
10. Freight carried by Railways	+9.7	-0.3	+1.9	+5.0**

† Rough estimate based on information available at present.

* April-September 1968 compared to April-September 1967.

** April-December 1968 compared to April-December 1967.

II—AGRICULTURAL PERFORMANCE

8. Output of foodgrains during 1967-68 reached the record level of 95.6 million tonnes, or 28.8 per cent more than the 1966-67 level of 74.2 million tonnes. In part the good performance in 1967-68, which was spread over all foodgrains, was accounted for by the new agricultural strategy, but also in part by favourable weather conditions. As compared with 1964-65, the latest previous year in which weather conditions were even more favourable, foodgrains output was 7.4 per cent higher, the compound annual growth rate between these years being 2.4 per cent. A better perspective of long-term performance is gained if it is considered over a longer period of time ; if growth is measured from a base period of 1949-50 to 1951-52, it indicates a compound annual growth rate of 3 per cent.

TABLE 2

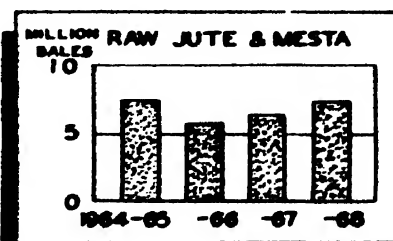
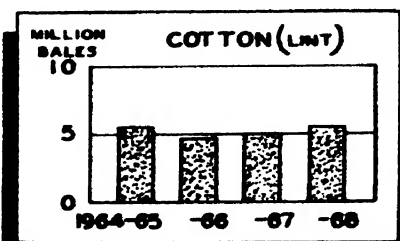
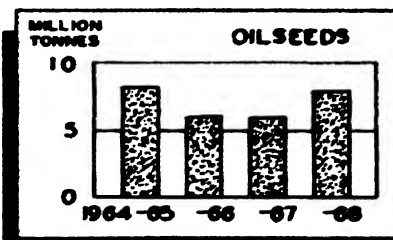
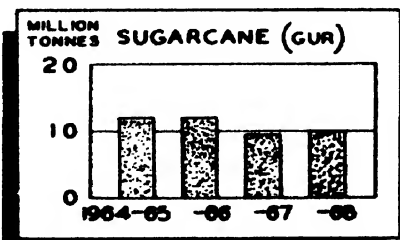
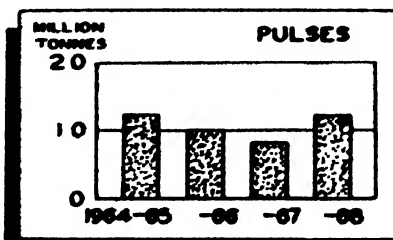
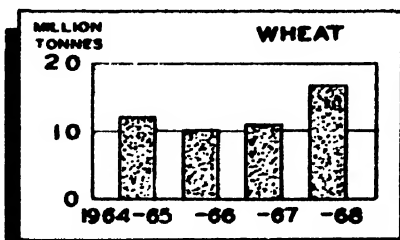
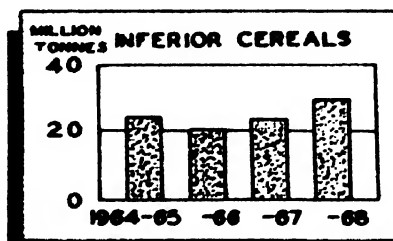
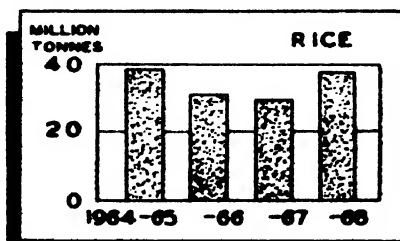
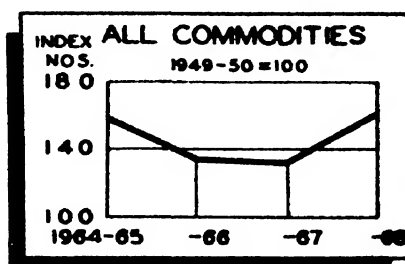
Production of Foodgrains

	(Million tonnes)			
	1964-65	1965-66	1966-67	1967-68
Cereals	76.6	62.2	65.9	83.4
of which :				
Rice	39.0	30.7	30.4	37.9
Wheat	12.3	10.4	11.4	16.6
Coarse Cereals	25.3	21.1	24.1	28.9
Pulses	12.4	9.8	8.3	12.2
of which :				
Gram	5.8	4.2	3.6	6.0
Total Foodgrains	89.0	72.0	74.2	95.6

A comparison of levels of output in 1964-65 and 1967-68 for the various foodgrains indicates the crops for which the new agricultural strategy has yielded the best results. As can be seen from Table 2, there has been marked improvement in the case of wheat. Coarse grains output, particularly that of maize, also responded significantly. On the other hand, the impact on production of rice and pulses would appear to be not yet evident.

9. The same pattern is to be seen with regard to most of the commercial crops as well. Though as compared to 1966-67 there is a substantial improvement in output in 1967-68, the performance is not always superior to that in 1964-65. In the table below the only exceptions are jute, tea and coffee. Taking a somewhat longer view the growth in the output of commercial crops in recent years has not been as high as that of food crops. Also a large part of the

AGRICULTURAL PRODUCTION



increase in output is seen to be due to increases in area rather than in productivity. Productivity increases are limited because some of these crops are unirrigated while in the case of others significant improvements in technology have not been achieved.

TABLE 3
Production of Commercial Crops

	1964-65	1965-66	1966-67	1967-68
Oilseeds (Million Tonnes)	10.5	8.0	8.2	10.2
Groundnuts (Million Tonnes)	5.9	4.2	4.4	5.8
Rapeseed and Mustard (Million Tonnes)	1.5	1.3	1.2	1.5
Fibres (Million Bales)	13.3	10.6	11.6	13.1
Jute (Million Bales)	6.0	4.5	5.4	6.4
Cotton (Lint) Million Bales	5.7	4.8	5.0	5.6
Tea (Million Kgs.)	372	373	372	383
Coffee ('000 Tonnes)	63.4	62.1	71.0	72.6
Sugarcane (Million Tonnes)	12.0	12.1	9.5	10.0
(In terms of gur)				
Tobacco ('000 Tonnes)	346	298	353	344

10. It is too early to take a view regarding the final outcome in agriculture in 1968-69. A judgment can, however, be based on the information available regarding the kharif crops, which account for 75 per cent of output. The onset of the south-west monsoon was delayed and as a result kharif sowing was delayed by 10-15 days. There was a prolonged dry spell but late rains in September and October have proved beneficial to the standing crops. While rainfall was deficient in Andhra Pradesh and parts of Gujarat and Rajasthan, it was adequate elsewhere. Rice output in the eastern States, namely, West Bengal, Orissa, Assam and Bihar has been at high levels; in the southern States of Andhra Pradesh, Tamil Nadu and Mysore, however, performance has not been as good. Prospects for coarse cereals are not bright because of deficient rainfall in some areas; similarly inadequate rainfall has affected the cotton and groundnut crops. Jute output is substantially lower, whereas prospects for sugarcane are favourable.

11. It is expected that the deficits of the kharif season will be made up through better performance in the case of the rabi crops. Policy measures taken to secure this result include greater resort to multiple cropping of short duration varieties in states like Andhra Pradesh and West Bengal. Aggregate foodgrains output this year is likely to be not less than last year's level of 96 million tonnes. With the new agricultural strategy, substantially higher output could have been secured had weather conditions been more favourable; the deficient rainfall in certain parts of the country is, however, likely to result in falls in production which will roughly balance improvements secured in areas where rainfall has been adequate.

12. A result of the bumper crop of 1967-68 was a considerable improvement in food availability. The net availability of cereals and pulses had gone down significantly in 1966-67 after the improvement in 1965; per capita availability per day had declined from 474 grams in 1965 to 396 grams in 1967. In 1968 the net availability of foodgrains improved substantially, and per capita daily availability rose to 457 grams, or 15 per cent more than in 1967. It was, however, lower than the availability in 1965 by 3.6 per cent, and not substantially higher than the availability in earlier good years. There is thus no room for complacency with regard to the availability of foodgrains in relation to the expansion of population.

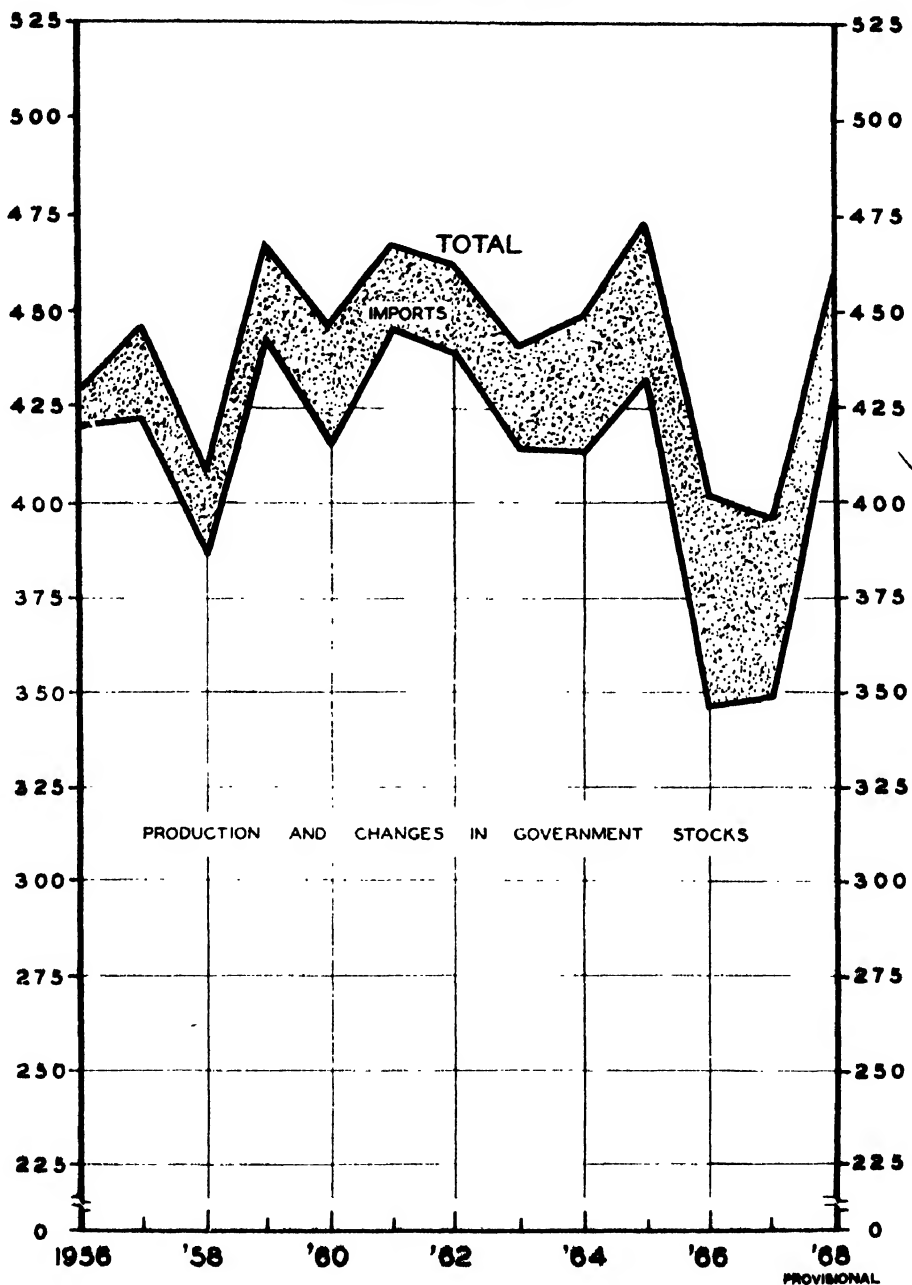
13. Although it is convenient to compare 1964-65 with 1967-68 on an aggregative basis an examination of the behaviour of different crops throughout the period and in different regions of the country brings out certain interesting features. 1965-66 was a bad year for all crops except perhaps maize, which was marginally higher. In the following year, while rice and pulses declined further, there was recovery in the output of wheat and millets like jowar, bajra and ragi. Maize production increased even further. Regionwise also, disparate movements are noticed in different parts of the country. On the whole Punjab and Haryana seem to have done better in these four years than States like Uttar Pradesh, Madhya Pradesh and Bihar. Similarly Andhra Pradesh and Tamil Nadu have shown less instability than Orissa and West Bengal. It is the objective of the new agricultural strategy to minimise the effects of such fluctuations in output due to variations in weather by producing high yields in concentrated areas through the application of technology and liberal doses of inputs.

14. The high yielding varieties programme is a major constituent of the new agricultural strategy. The emphasis of the programme during 1967-68 was largely on wheat and rice with considerably smaller areas under jowar, bajra and maize. The largest areas under high yielding varieties of rice were in Tamil Nadu, Andhra Pradesh and Bihar; a relatively small area was covered in West Bengal, the biggest rice growing State. The largest areas covered by high yielding varieties of wheat were in Uttar Pradesh and Punjab, while the largest area under jowar was in Maharashtra. The use of high yielding varieties of bajra and maize was fairly uniformly distributed in all the States with relatively low rainfall.

15. Evaluations of the programme made so far indicate that its effectiveness varies from State to State due to a number of factors. In the case of wheat, for example, best results are seen to be achieved, when the proper number of waterings are given in addition to application of proper dosages of fertilizer. The provision of water varied from State to State depending upon the availability of irrigation. Similarly, the strain of seed chosen affected yields considerably. High yielding varieties of wheat like PV-18 and Kalyan S-227 used in the Punjab gave invariably yields between 10-15 quintals per acre. Those used in Bihar like Lerma Rojo and K-68 were not as successful. The intensity of extension efforts also played a part.

PER CAPITA AVAILABILITY OF FOODGRAINS

(GRAMS PER DAY)



16. The objective of policy is to expand supplies of the high yielding varieties of seeds, promote multiple cropping through short duration varieties, secure a quick increase in water inputs primarily through minor irrigation, and to expand supplies of fertilizers, so that production can be rapidly expanded by a combined application of the necessary inputs. In 1967-68 it was possible to raise the area under high yielding varieties of seeds to 6.03 million hectares, of which 1.78 million hectares were under rice and 2.94 million hectares were under wheat. The target for 1968-69 is 8.5 million hectares. Most of the State Governments have been organising the production and multiplication of hybrid and other high yielding varieties of seed so as to ensure that the seed requirements of cultivators are fully met. A number of States are setting up large-sized seed farms. In addition to the two Central seed farms at Suratgarh and Jatsar, one farm has been set up in Orissa and two more are proposed to be set up in Haryana and Punjab. The National Seed Corporation is also helping in the supply of foundation seeds of hybrid varieties and certification of various types of seeds.

17. Through the introduction of short duration crops it is proposed to encourage double/multiple cropping on land under irrigation where only one crop is being grown at present. Such multiple cropping was attempted on 3 million hectares in 1967-68 and the corresponding target for 1968-69 is 6.1 million hectares.

18. In the field of irrigation considerable emphasis is being given to minor irrigation. The programme of minor irrigation, particularly lift irrigation, has been making steady progress since 1960-61, but has recently gained substantial momentum. Between 1960-61 and 1966-67, 754000 pump sets were installed. 98000 private tube wells and filter points and 3000 State tube wells were constructed. In 1967-68 alone, 248000 pump sets were installed, 48000 private tube wells and filter points and 1000 State tube wells were constructed. In addition 197000 masonry wells were sunk. The additional area brought under minor irrigation in 1967-68 amounted to 1.38 million hectares. This benefit is to be extended to another 1.5 million hectares in 1968-69.

19. The pace of change in the consumption of chemical fertilizers can be seen from the following table:

TABLE 4
Consumption of Chemical Fertilizers

					(‘000 tonnes of nutrients)				
					1964-65	1965-66	1966-67	1967-68	Target 1968-69
N	.	.	.	.	451	541	938	1235	1700
P ₂ O ₅	.	.	.	.	145	135	301	549	650
K ₂ O	.	.	.	.	57	94	143	279	450

The increase in consumption has been particularly sharp since 1966-67 when the new strategy was adopted. To meet this new demand imports of nitrogenous fertilizers doubled between 1965-66 and 1966-67 and there was a very steep increase in the import of phosphatic fertilizers. Between 1966-67 and 1967-68, the import of phosphatic fertilizers more than doubled while the imports of potassic fertilizers were nearly twice as much as in the previous year. The import of nitrogenous fertilizers rose by 33 per cent. There was a substantial increase in domestic production as well. The production of nitrogenous fertilizers rose during 1966-67 by 33 per cent from a level of 232,000 tonnes in 1965-66. It rose further to 367000 tonnes in 1967-68. The production of phosphatic fertilizers rose from 123000 tonnes in 1965-66 by 23 per cent in 1966-67 and 32 per cent in 1967-68. While the consumption in 1968-69 may turn out to be lower than the target it will nevertheless be considerably higher than the consumption in 1967-68.

20. The assurance to farmers that larger output can be sold at prices which will yield adequate returns is an important part of the agricultural strategy. The Agricultural Prices Commission has advised Government from time to time regarding the price problems of various agricultural commodities. Procurement and support prices for various crops had been raised steadily over the years, and in 1968-69, procurement prices for kharif crops were by and large maintained at the high levels of 1967-68. As Government was willing to purchase all quantities offered at these prices, these were in effect support prices. Open market prices of foodgrains, however, declined somewhat during the year. While, therefore, the market value of foodgrains output may have been somewhat lower, farmers may have been in a position to sell larger quantities, as depleted inventories may have been restored in 1967-68.

21. In order to contain inflationary tendencies and to ensure equitable distribution of available supplies of foodgrains, an elaborate system of public distribution has been set up. Statutory rationing had been introduced in the urban areas in several deficit States. The system was generally maintained during 1967-68 and the current year, except that statutory rationing has been relaxed in Kanpur, Delhi, Hyderabad, Secunderabad and Siliguri. There has also been some reduction in the current year in the quantities of foodgrains released through the public distribution system in view of the easier trends in prices in the open market. Movement restrictions on foodgrains have also been relaxed in order to reduce regional price disparities. Movement of foodgrains, other than rice, is now permitted freely within a much larger zone of northern States consisting of the surplus States of Punjab and Haryana and the deficit States of Himachal Pradesh, Jammu and Kashmir and Delhi. There is no restriction on the movement of gram and barley throughout the country while restrictions on maize, jowar and bajra have been lifted from the States of Punjab and Haryana. The following table sets out the data regarding total quantities of foodgrains issued from Central and State Government stocks:

TABLE 5
Public Distribution of Foodgrains

	(Million tonnes)			
	1965	1966	1967	1968
Rice .	3.6	4.1	3.0	3.6
Wheat .	5.9	8.2	7.4	5.7
Coarse grains	0.6	1.8	2.8	1.2
TOTAL	10.1	14.1	13.2	10.5

22. Supplies for the public distribution system—and for building up stocks—have been secured through internal procurement and imports. In spite of the unsatisfactory production of foodgrains during 1966-67, the Centre and the States made vigorous efforts to procure, and 4.5 million tonnes of foodgrains were purchased during 1967. In 1968, internal procurement was raised to 6.6 million tonnes. Imports of foodgrains amounted to 10.4 million tonnes and 8.7 million tonnes in 1966 and 1967 respectively, and are expected to decline to 5.7 million tonnes in 1968.

23. A policy decision was taken last year that a sizable food buffer stock should be built up during the next few years. Procurement during 1968 has been of the order of 6.6 million tonnes, while imports during 1968 will be 5.7 million tonnes. Total stocks—including working stocks—with the Government and with the Food Corporation of India are expected to be of the order of 3.5 million tonnes at the end of the financial year. If, however, account is taken of the possible procurement out of the rabi crop that will come into the market soon and the balance of the imports under the recently signed PL 480 agreement for 2.3 million tonnes of foodgrains, food stocks by the end of June 1969 are likely to be of the order of 5 million tonnes.

24. In the coming year efforts to cover a larger area with the new agricultural strategy will be continued with the same vigour. A target of 10.9 million hectares is proposed to be covered by high yielding varieties. Similarly, the areas under multiple cropping and the areas covered by minor irrigation will also be increased. The use of fertilizers will continue to grow from the high levels achieved during 1968-69 but most of the growth will come from the increase in domestic production rather than from imports. Supplies of pesticides will also continue to increase. In addition, integrated development of the command areas of irrigation projects is being taken up so as to expedite the utilisation of irrigation potential and improve the efficiency of water use. Several pilot water management projects are being undertaken. Side by side with measures to increase production, the policy of building up food stocks in order to take care of fluctuations in output will now be undertaken wholly by the Food Corporation of India. Storage and warehousing capacity is being built up rapidly by the Food Corporation in order to be able to cope with adequate buffer stocks.

III—INDUSTRIAL RECOVERY

25. Last year a number of signs pointed to the beginning of recovery in industrial production and the hope was expressed in the Economic Survey for 1967-68 that industrial production would soon resume its upward trend. That hope has been substantially realised; the index of industrial production for the first nine months of 1968 is 5.6 per cent higher than in the same period last year. For the year as a whole, the rate of growth of industrial output is likely to be between 5 and 6 per cent.

26. Industrial production had increased at over 8 per cent per year during the calendar years 1961 to 1964. In 1965 there was a slight slackening and the rate of growth was 7.2 per cent. It was in 1966 that the growth rate declined to only 1 per cent and in 1967 industrial output was slightly lower than in the previous year. In these two years Indian industry experienced a "recession" in the sense that the growth rate of industrial output declined sharply.

TABLE 6

Profile of Growth in Industry

Industry	1960-65 average annual growth rate per cent	Percentage growth in the year over preceding year		
		1966	1967	Jan-Sept. 1968*
1	2	3	4	5
Machinery except electrical	27.8	+18.0	+6.2	+10.6
Manufacture of wood and cork except furniture	27.0	-14.2	+8.2	-1.7
Metal Products	21.1	+1.9	-8.3	-8.3
Electrical machinery	20.9	+10.0	+8.2	+10.4
Transport equipment	20.9	-19.5	-11.9	+0.6
Electricity generated	18.2	+8.9	+11.0	+16.0
Basic metals	16.0	+3.6	-4.4	+5.9
Mfg. of footwear and other wearing apparel and made up textile goods	13.9	+8.7	+5.5	-2.6
Rubber Products	11.9	+0.5	+7.0	+12.2
Petroleum products	11.4	+24.9	+19.6	+11.0

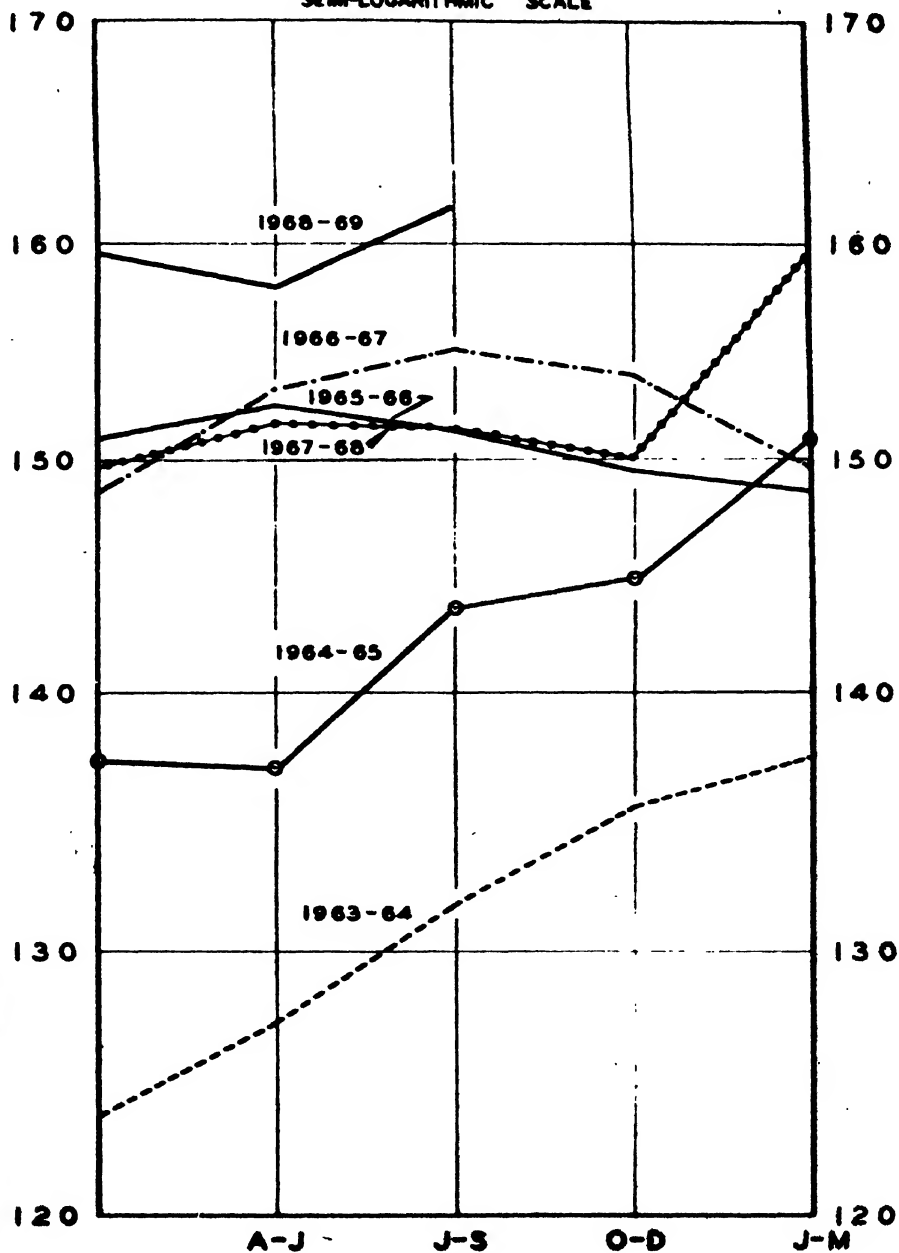
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INDEX OF INDUSTRIAL PRODUCTION

(QUARTERLY AVERAGES)

1960=100

SEMI-LOGARITHMIC SCALE



	1	2	3	4	5
Chemicals		10.8	+8.3	+3.3	+8.6
of which :					
Fertilizers		10.5	+7.1	+26.5	+25.8
Synthetic fibres		14.8	+4.2	+14.3	+6.5
General Index		10.2	+1.0	-0.5	+5.6
Non-metallic mineral Products		9.8	-0.1	+4.5	-1.2
of which :					
Cement		7.0	+4.6	+2.1	+3.5
Beverage and tobacco industries		9.5	+7.7	-6.0	+7.8
Paper and Paper Products		9.4	+8.8	+4.4	+11.4
Mining and quarrying		6.3	+4.1	-0.9	+4.9
Food mfg. industries		4.6	+3.5	-12.2	-3.0
Leather and fur Products (except foot-wear)		4.5	-1.5	-3.0	-11.8
Mfg. of textiles		3.0	-5.1	-1.2	+7.2
of which :					
Cotton textiles		2.3	-4.6	-1.5	+9.6
Woollen textiles		7.3	-5.0	-5.5	+9.9
Jute manufacture		4.1	-16.5	+3.7	-3.6

*Provisional.

NOTE : The rates of growth in the above table relate to the new Index of Industrial Production with base 1960 = 100.

27. While "recession" affected the general industrial scene, output in a number of industries continued to grow at fairly rapid rates even during these years. Examples are electricity generation and refining of petroleum. Similarly, basic industrial chemicals were not affected. For most of these products, output was limited by capacity and not demand, and rose as fresh capacity was installed. Thus fertilizer output grew in 1966 at a rate somewhat higher than in 1965 and at a sharply increased rate in 1967.

28. The "recession" occurred primarily in agriculture-based industries and in equipment industries other than those catering for the requirements of agriculture. It was the result of declines in agricultural output in two successive years. On the supply side, agricultural raw materials like sugarcane, raw cotton and oilseeds were available in reduced quantities. The demand for consumer goods was affected by the reduction in farm incomes. It became necessary to adopt restrictive fiscal and monetary policies in order to hold inflation in check; and the restraint on public investment affected the demand for the output of steel and equipment industries. A slowing down in private investment also occurred, in part because of the decline in incomes and savings and in part because of a less optimistic outlook on the part of industrialists. The ability of industry to finance new investment was also affected by the rise in cost of inputs at a time when output could not be raised in a number of industries because of slack demand conditions.

TABLE 7

Availability¹ of Industrial Inputs

	1964-65	1965-66	1966-67	1967-68
Raw cotton (lakh bales) Sept.-August				
Production ²	60.0	56.1	56.0	65.4
Imports	8.7	4.8	7.4	8.1
Availability	93.7	84.9	84.8	92.3
Raw jute ³ (lakh bales) July-June				
Production	76.0	57.6	65.8	75.0
Imports	5.2	12.0	16.4	Neg.
Availability	103.8	90.6	94.0	94.5
Major Oilseeds ⁴ (million tonnes) July-June				
Production	8.5	6.4	6.4	8.2
Sugarcane ⁵ (million tonnes) July-June				
Production	12.0	12.1	9.5	10.0

1. Availability is defined as production + imports + opening stocks.

2. Trade estimates.

3. Including mesta.

4. Groundnuts, rapeseed and mustard, linseed, sesamum and castorseed.

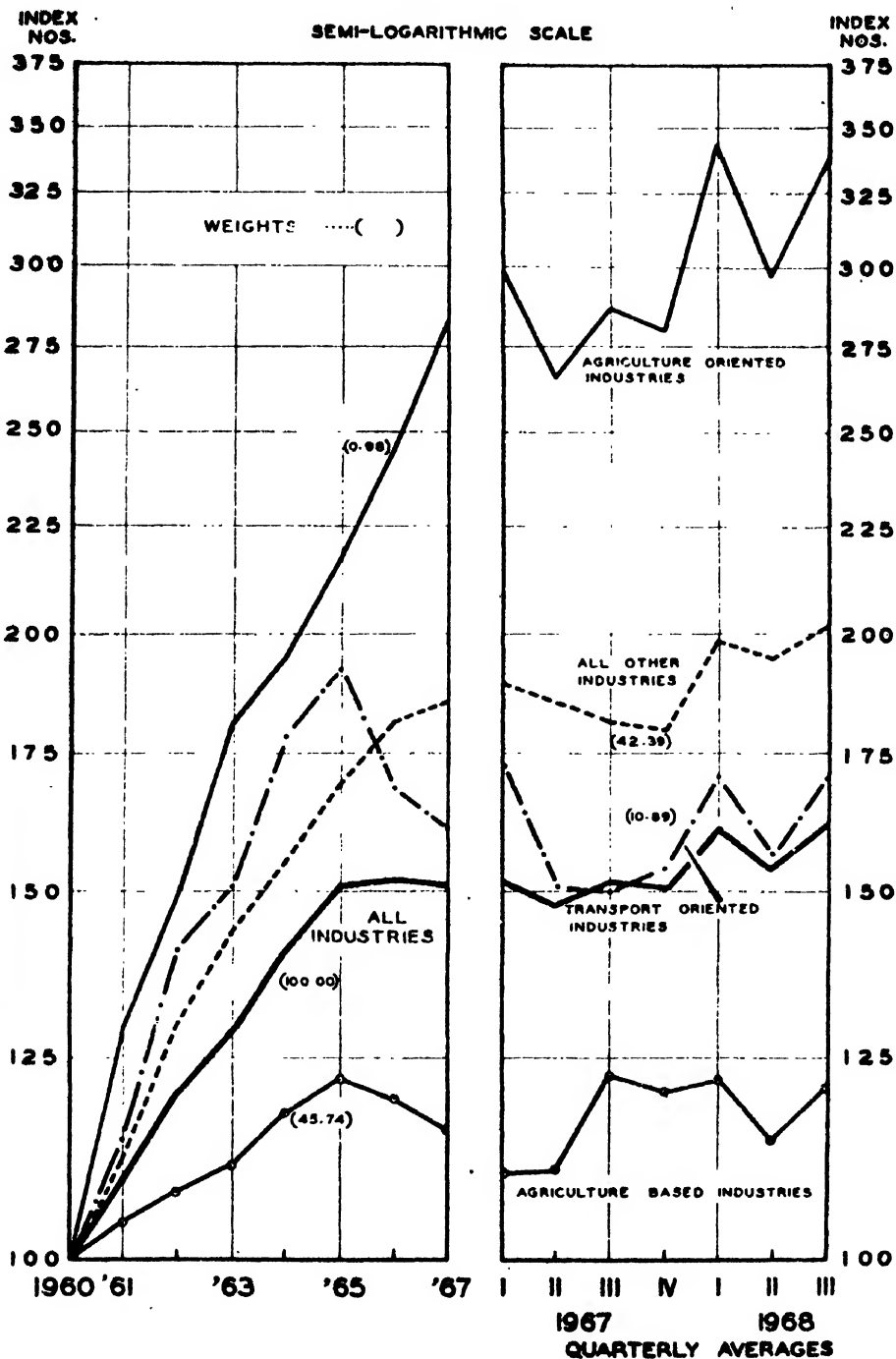
5. In terms of g ir.

29. A number of measures had been taken to promote recovery. These included advance placement of orders of Government, the Railways and other public sector undertakings, provision of more liberal finance for purchase of indigenous road transport and other equipment by the Industrial Development Bank of India and later a reduction in interest rates generally. Several steps were taken to promote export of manufactures. The diversification of output was facilitated by several relaxations in the industrial licensing system. The grant of import licences for components and raw materials to priority industries on a need-based basis facilitated the adjustment of output to changing requirements. Export credit rates were also lowered.

30. The sharp rise in agricultural production in 1967-68 greatly increased the availability of major agricultural raw materials like fibres and oilseeds, which in turn facilitated the step up in production of agro-based industries whose output in the preceding years had been severely constrained by material shortages. Although production of commercial crops may not be quite as high during the current year, no serious shortfall in output has taken place, or is likely to take place, except in the case of raw jute. Production of jute this year declined seriously owing to a shift in acreage under cultivation towards food crops and damage by floods. As a consequence industrial requirements of this fibre are planned to be met by higher imports during the second half of the current fiscal year. The production of raw cotton and major oilseeds is likely to be somewhat lower as compared to 1967-68. However, with some drawing down of stocks held over from last year's crops, requirements are expected to be met

PATTERN OF INDUSTRIAL PRODUCTION

1960=100



without greater recourse to imports. The production of sugarcane, which had risen very little in 1967-68, is expected to rise substantially during the current year.

31. The bumper harvest of 1967-68, and the consequent rise in disposable income in the agricultural sector, raised the demand for manufactured consumer goods, agricultural inputs and farm equipment. The good agricultural performance in the current year has reinforced this trend. The increased demand for consumer goods as a result of the good crop has materialised somewhat later than expected; but in the current year the recovery has been widespread. The production of the major manufactured consumer goods, cotton textiles, has been substantially higher this year. There has similarly been a sharp increase in the output of other manufactured consumer goods like radios, electric fans, electric lamps, bicycles and sewing machines. The farmers have spent part of their additional incomes increasing productivity; and the demand for tractors, for example, has increased substantially.

32. In industries like fertilizers, and various chemicals production has gone up as a result of the establishment of additional capacity. Similarly, the generation of electricity has increased at a more rapid rate than in the previous year due to the establishment of new generating capacity.

33. In the field of equipment manufacture, the output of commercial vehicles has revived to some extent because of the growing transport requirements resulting from the good crops. The metal and equipment industries generally have lagged behind. There has been a substantial expansion of output of equipment for export purposes, but installation of machine tools, and other industrial machinery for domestic requirements has not so far picked up significantly.

34. Capital raised through public issues by companies during 1968 was significantly less than in 1967. There are signs, however, that there is a revival of investor interest in equity issues. This is evident from the performance of the stock market. Since the start of the current financial year, the index of equity prices has risen by 6.3 per cent. Also considerable interest has been shown recently by investors in subscribing to certain public issues of capital. The extent of over-subscription in such issues surpassed any over-subscription in the preceding five years in equally attractive issues.

35. There has been considerable import substitution, particularly in the field of equipment. In the case of a number of new projects in fields such as fertilizers, petro-chemicals and aluminium, the proportion of equipment required to be imported has declined substantially in relation to past experience. This trend will be reinforced by the going into production this year of some major public sector projects like the Heavy Machine Tools Plant, Ranchi, and Instrumentation Ltd., Kota.

36. During the year some policy measures were taken to streamline controls. Two industries, namely the manufacture of steel

ingots and billets by concast plants and the manufacture of barium salts and compounds, were exempted from licensing under the Industries (Development and Regulation) Act in June 1968. The vanaspati industry was also similarly de-licensed, subject to certain conditions, in September 1968.

37. Control over capital issues was considerably relaxed. Control has been retained only over bonus issues and issue of capital at a premium by public limited companies and practically all other categories of issue of capital by companies have been exempted from control. In the case of public limited companies issuing capital exceeding Rs. 25 lakhs during a period of 12 months, the exemption from control is subject to certain criteria being met. A few of these are the observance of a debt equity ratio of 2:1 and an equity preference ratio of 3:1, issue of capital at par and issue of preference shares and debentures at rates of dividends and interest not exceeding certain limits.

38. Certain adjustments were also made with respect to controls on prices; these are referred to elsewhere in this Survey.

39. It is likely that in the coming year industrial production will expand further. If the availability of commercial crops like raw jute and oil seeds improves, this would facilitate the expansion of industrial production. Recovery is likely also in the industries producing equipment of various kinds. There is clearly need for the establishment of new capacity in industries such as cement, paper and sugar which rely almost entirely on indigenous equipment. In the case of the cotton textile industry, there is no need for capacity expansion. However, there are substantial requirements for modernisation, which can be met by utilisation of the output of the textile machinery industry. In view of the increased demand for cotton textiles, it is to be expected that the pace of modernisation will quicken. The capacity to manufacture fertilizer equipment is being fully utilised. Large orders have been placed on the equipment industries by the Bokaro project. The substantial investment being undertaken in the petro-chemicals, aluminium and other industries will also provide orders for indigenous equipment. Truck output can be expected to respond further to the growth of agricultural output and the revival of the economy. There will still remain problems of under-utilisation of capacity in areas such as the manufacture of heavy electrical equipment, coal mining machinery and heavy engineering equipment. Nevertheless, the overall picture will be one of an expansion of output, in the capital goods sectors.

40. It may be noted that substantial expansion of industrial capacity in several important sectors will result from imports of equipment for which foreign exchange has already been authorised. These areas of industry include fertilizers, caustic soda, soda ash, aluminium ingots, tractors, commercial vehicles, transformers and electric motors. Thus the industrial capacity of the economy is likely to expand considerably on the basis of the use of both indigenous and imported equipment. The Fourth Five Year Plan to be published soon, will indicate the directions in which further investments will require to be undertaken in the coming years, to meet the requirements of various industrial products.

IV—THE PRICE SITUATION

41. The year 1968 witnessed a marked improvement in the price situation. Prices at the end of the year were ruling lower, albeit marginally, than the preceding year's level. The annual average of the general price index (1952-53=100) at 209.5 for 1968 showed a fall of one per cent over the year; this average level of prices had risen by 13.8 and 15.4 per cent in 1966 and 1967 respectively. What is interesting to observe is that, for the first time since 1955, the price level has shown a decline in relation to a preceding year.

42. The current price situation suggests that there is now a better balance between demand and supply in the economy. Money supply in 1968 had expanded at a slower pace than in the preceding year; over the year as a whole, the increase in money supply has been of the order of 6.5 per cent as against an expansion of 8.3 per cent in the preceding twelve months. On the other hand, national output had increased in real terms by 8.9 per cent in 1967-68 and is expected, on the present assessment of agricultural and industrial production, to show an increase of about 3 per cent in 1968-69. However, total supplies in the economy during any year may be appropriately considered to be an average of the national output during the current year and the preceding year. On this basis, supplies available during 1968-69 are higher by about 6 per cent; and the increase in money supply so far for the year is only slightly larger.

43. Price behaviour during 1968 falls into three distinct phases. During the first half of the year, prices fluctuated within a narrow range. The general price index which had declined from its peak level of 224.5 in October, 1967 to 207.8 at the end of December, 1967, rose mildly during the first half of January, 1968 due mainly to the substantial withdrawal of subsidy on foodgrains. Thereafter the index declined and reached 198.8 on March 2, 1968. There was then a rise to 207.3 by June 1, 1968 and a subsequent decline to 203.4 at the end of June, 1968. The subsequent three months which marked the second phase witnessed a rapid rise in prices, with the index reaching the year's peak of 222.1 by the end of September, 1968. This rise was largely accounted for by steep increases in the prices of pulses, edible oils and industrial raw materials, particularly oilseeds and raw jute, and was induced partly by seasonal factors and partly by the anticipated shortfalls in the production of some of these commodities, notably raw jute. The last quarter of the year marked the third phase when, reflecting very largely the improved outlook on food situation and other aspects of the economy, prices started declining and reached 206.3 at the end of December, 1968.

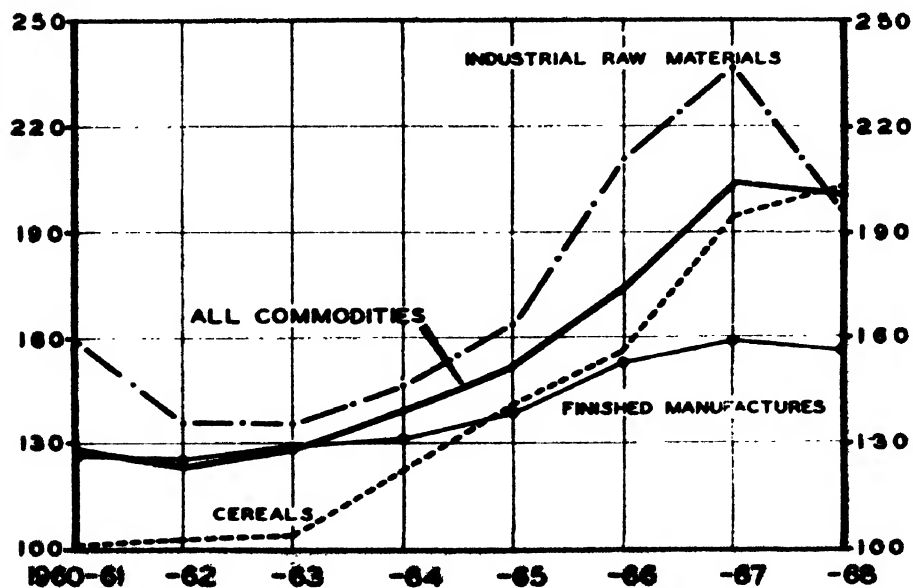
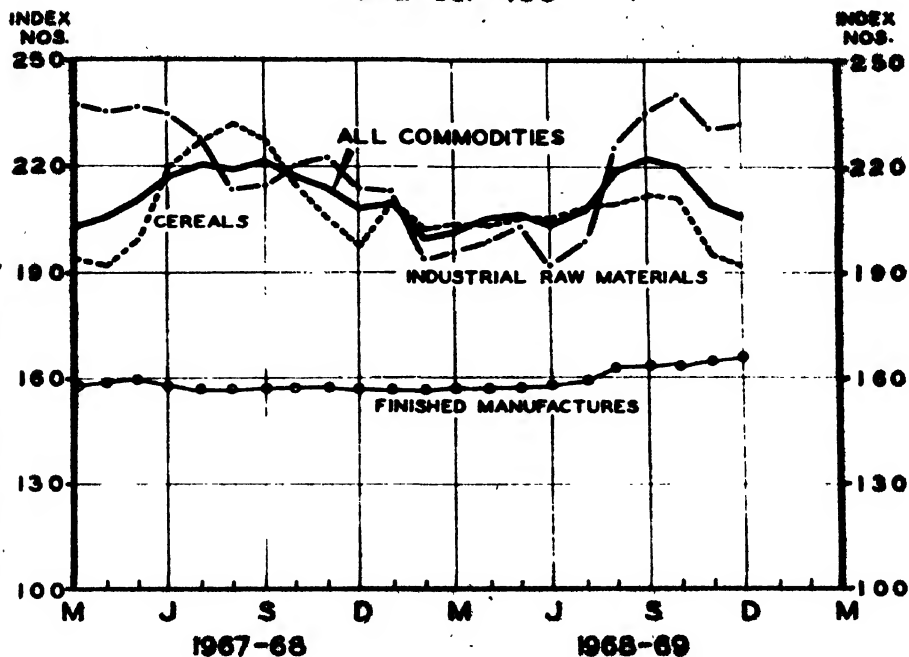
44. As stated at the outset, prices at the end of December, 1968 were at a level which was fractionally lower than at the end of the preceding year. The most pronounced decline in prices was in the case of food articles, particularly foodgrains, which registered a decline of 9.5 per cent over the year. While wheat and rice prices were lower by 1.9 per cent and 0.5 per cent respectively in relation to their preceding year's levels, the price decline was much more marked in the case of coarse cereals and pulses. Bajra and jowar prices were down by 8.4 per cent and 8.9 per cent respectively and pulses by 30.3 per cent. Prices of gur and edible oils were also distinctly lower than the preceding year's levels. On the other hand, the price index of industrial raw materials showed an increase of 7.5 per cent but this was mainly on account of raw jute prices which rose by 67 per cent over the year. The pressure on raw jute prices emanated from the large decline in production expected during the current year. Prices of manufactures also showed a modest increase of 4.8 per cent over the year but again the increase in prices of jute manufactures was most prominent (43.6 per cent), although prices of chemicals and metal products and, to some extent, those of machinery and transport equipment were also higher. The other two group indices also showed increases. An increase of 2.3 per cent in the index for fuel, power, light and lubricants reflected very largely the upward adjustment in the prices of coal effected in July, 1968.

45. The policy of ensuring remunerative prices to the agriculturals was maintained. As stated elsewhere in the Survey, the procurement prices for kharif foodgrains, which have been in effect support prices, have been fixed by and large at the same or somewhat higher levels in 1967-68. The minimum support prices for raw cotton were raised by 2 to 5 per cent.

46. In the case of industrial commodities, the policy of gradual relaxation of controls as and when supplies improve has been continued. During the year, price controls were completely removed in respect of paper and paper boards and considerably relaxed in the case of drugs and medicines. Thus, medicines of Ayurvedic, Unani and Siddha systems are now completely exempt from the price control, and, in the case of allopathic and homocopathic drugs, the control is restricted only to drugs sold with a specific brand name. In the case of cotton textiles, the area of price control was reduced from 40 to 25 per cent of the total mill production and upward price adjustments sanctioned in the case of controlled commodities. These price increases were, however, accompanied by suitable adjustments in the rates of excise duty in order to ensure that there was no rise in prices charged to the consumers. In the case of sugar, the policy of partial decontrol has been continued for the 1968-69 season but the proportion of levy sugar (i.e., sugar supplied to consumers at controlled rates) was raised from 60 to 70 per cent, having regard to the large increase in sugar production likely to take place in the current year. In November, 1968, Government also decided to rescind the maximum prices for raw rubber and rely on the import mechanism for regulating the stock levels and prices of natural rubber.

WHOLESALE PRICES

1952-53 = 100



47. During the year, Government also agreed to price increases in the case of coking coal and steel, mainly with a view to compensate these industries for increases in production costs. In the case of coal, the increase of Rs. 3.25 per tonne agreed to related to coking coal to be supplied to steel plants, coal washeries, etc. Of this, an increase of Rs. 2.50 per tonne became effective from July 1, 1968 and this included an excise duty of Re. 0.75 per tonne to be set aside for the purpose of conserving and developing coking coal. A further increase of Rs. 0.75 was to be allowed after a method of joint sampling had been found acceptable to both the coal and steel industries. In the case of steel, it may be recalled that the Joint Plant Committee had made certain upward revisions in prices in May, 1967 and again in January, 1968. The latest revision announced by the Joint Plant Committee was on July 31, 1968 and had led to an increase in the prices of all categories of steel. The average increase in the prices of steel worked out to Rs. 57 per tonne.

48. The recent price stability is also reflected in the movement of the All India Working Class Consumer Price Index. The index (1949=100) at 214 for November, 1968 was lower by 0.9 per cent as compared to its level a year ago. The twelve monthly average of the consumer price index had touched 215 in August, 1968 as a result of which the Central Government had to pay additional dearness allowance to its employees with effect from September 1, 1968. It is, however, noteworthy that between May and November, 1968, the twelve monthly average of the all India consumer price index had remained steady within the range of 214.67 and 215.50.

V—FISCAL AND MONETARY DEVELOPMENTS

Fiscal Developments

49. The Central Budget for 1968-69 had been designed principally to secure the recovery in industrial production to which reference has been made in the previous chapter, to consolidate the gains in agriculture and to strengthen the balance of payments. A major tax effort was necessary in order to secure a modest increase in developmental outlays, in spite of a substantial volume of deficit finance that could be contemplated in view of the increase in agricultural output in 1967-68. Non-developmental outlays were held in check. The State Governments also made efforts to mobilise additional resources for development.

TABLE 8

Expenditure of Central and State Governments and Union Territories

	Percentage increase in		
	1966-67 over 1965-66	1967-68 (RE) over 1966-67	1968-69 (BE) over 1967-68 (RE)
<i>I. Total Expenditure</i>	5.7	9.4	2.6
(i) Developmental	(-)1.8	6.7	5.1
(ii) Non-developmental	18.0*	13.1*	(-)0.7
<i>II. Current Revenues</i>	9.8	6.3	9.3
(i) Tax Revenues	11.6	5.3	8.3
(ii) Non-tax Revenues	3.9	9.9	12.6

*After ignoring accounting transactions.

50. The total developmental expenditure budgeted by the Central and State Governments for 1968-69, at Rs. 3831 crores, was 5.1 per cent more than in the preceding year. The Plan outlay was Rs. 2337 crores and included a provision of Rs. 140 crores for building up stocks of foodgrains; Plan outlay exclusive of the provision for foodgrains stocks was at about the same level as in the preceding year and lower than in 1965-66.

51. Non-developmental expenditure was budgeted at Rs. 2816 crores and was marginally lower in relation to the previous year. This was in contrast to the large increases in non-developmental expenditures in the past few years on account of large food subsidies provided for after devaluation, increases in dearness allowances sanctioned to Government employees and large outlays on famine and flood relief. The decline in non-development expenditure

budgeted for 1968-69 was very largely the result of withdrawal of food subsidies and the smaller provision for famine relief. The combined result of the growth in developmental expenditure and the reduction in non-developmental expenditure as budgeted was an increase of 2.6 per cent in total expenditure of the Central and State Governments for 1968-69 to Rs. 6647 crores as compared to the revised estimates for 1967-68.

52. In view of the improved agricultural performance in 1967-68, and the need to stimulate revival, the Central Budget provided for a deficit of as much as Rs. 289 crores. The levy of additional taxation of Rs. 118 crores at the Centre (taking into account Rs. 28 crores from changes in Railway freight rates and fares and Rs. 24 crores from adjustments in postal and telegraph rates) and Rs. 14 crores by the States was, however, necessary to secure a modest increase in budgeted developmental expenditure, in spite of the reduction in non-developmental expenditure.

53. A deterioration in the returns from public sector undertakings on account of slack demand conditions and increases in cost also put a heavy strain on the budgetary situation. Thus, the contribution to the Central Budget of non-departmental undertakings other than Railways and Posts and Telegraphs was only Rs. 83 crores in 1967-68(RE) as against the Budget estimate of Rs. 168 crores. The Budget estimate for 1968-69 was Rs. 98 crores or the same amount as the actuals of 1966-67.

54. The Central Budget contained specific provisions to encourage export marketing and improvements in agricultural productivity. Measures to mobilise larger private savings were also adopted. A new scheme of five year tax-free deposit was introduced and a Public Provident Fund was set up to provide a further savings medium to self-employed persons.

55. The aggregate deficit of the Central and State Governments during the current year is likely to be lower than the budget estimate of Rs. 313 crores (Rs. 289 crores at the Centre and Rs. 24 crores in the States). The recovery of industrial production has been effected with lower levels of imports than visualised; and as a result receipts from import duties and external assistance will be lower. Receipts from taxes other than import duties are on the other hand likely to be larger than visualised. Receipts from market loans have been higher than anticipated. Developmental expenditures will, however, show a shortfall.

56. A major problem in the field of Centre-State financial relations has been that several State Governments have been running unauthorised over-drafts with the Reserve Bank. In 1967-68 the Central Government provided *ad-hoc* assistance of Rs. 118 crores to the States to clear such overdrafts. During the current year also, some States had recourse to sizeable over-drafts of this nature. The Reserve Bank had, therefore, to issue formal notices asking these States to clear such over-drafts within three weeks, which they did, as in the past, with Central ways and means assistance. The persistent

recourse to unauthorised over-drafts has been a matter of serious concern, and, was, therefore, included in the terms of reference of the Fifth Finance Commission. The Commission, in its interim report, has made several recommendations and has reiterated the basic position that States should balance their budgets and regard over-drafts with the Reserve Bank as a facility meant for meeting temporary requirements and not for financing general budgetary needs.

57. The budget for 1968-69 visualised a reduction of food subsidies from Rs. 106 crores in 1967-68 (RE) to Rs. 1.6 crores. The actual outlay in 1967-68 is lower at Rs. 95 crores. The expenditure during the current year is, on the other hand, likely to be substantially higher than was visualised in the budget estimates. By and large, losses incurred on the sales of wheat procured internally will be offset by profits on the sales of imported wheat. Thus since June, 1968, imported red wheat, whose cost is Rs. 65 per quintal, and indigenous Mexican wheat procured at a cost of Rs. 94 per quintal, have both been issued at a pooled price of Rs. 70 per quintal. Similarly, in the case of white wheat, the pool issue price (reduced from Rs. 90 to Rs. 85 per quintal since 16th December, 1968) is lower than the economic cost of the indigenous variety (Rs. 94 per quintal), but higher than that of the imported quality (Rs. 66 per quintal). In the case of rice, there is a significant element of subsidy in issue prices of certain varieties. It is the national objective to eliminate imports of foodgrains on concessional terms as soon as possible. As the releases of imported foodgrains decline relative to those of domestically procured supplies, even the holding of subsidies at the current level will entail a reduction in procurement prices and/or increased prices for supplies through the public distribution system.

58. Another aspect of the welcome reduction in the dependence on imports of foodgrains is that domestic resource mobilisation will need to replace the support given to the budget by PL 480 assistance. The extent of this support may be measured by the volume of loans, grants and investment of counterpart funds in special securities. This amounted to Rs. 347 crores in 1966-67 and Rs. 366 crores in 1967-68, and was estimated at Rs. 274 crores for 1968-69. The actual support to the budget during 1968-69 would, however, be lower in view of the fact that PL 480 imports will be smaller than envisaged at the time of the framing of the budget.

59. The need to grant higher dearness allowances to Government employees to compensate for increases in the cost of living has been an important cause of growth in non-developmental expenditure. During the current year, dearness allowances for Central Government employees had to be adjusted upwards because the twelve monthly average of the consumer price index crossed the level of 215. A part of dearness allowance has also been merged in pay. The total cost to the Central Government in a full year of these adjustments is estimated at Rs. 50 crores. State Governments and local bodies are also confronted by increased expenditures on pay and allowances. The growth of non-developmental expenditure can only be held in check by maintaining price stability and raising productivity.

60. Improved returns from the public sector undertakings will be necessary if they are to make an adequate contribution to the resources for development. As already indicated, the financial returns from these undertakings have shown deterioration. Hindustan Steel Ltd., for instance, incurred a total net loss of Rs. 19.8 crores in 1966-67 and Rs. 37.5 crores in 1967-68. Similarly 43 other running concerns (non-departmental) of the Central Government showed a total net loss of Rs. 8.5 crores in 1966-67. It may, however, be stated that this was the result of the operations of 17 concerns which incurred losses amounting to Rs. 38.5 crores and these included concerns like Heavy Engineering Corporation Ltd., Heavy Electricals India Ltd., Neyveli Lignite Corporation Ltd., etc., some of which are still in their initial years of production. Otherwise, 26 concerns showed profits amounting to Rs. 30 crores. Also, if gross profits (after providing for working expenses and depreciation provision but before providing for interest) of all the running concerns other than Hindustan Steel Ltd., are taken, these show an increase from Rs. 32.5 crores in 1965-66 to Rs. 39 crores in 1966-67. However, in relation to capital employed, gross profit showed a decline from 4.3 per cent to 3.6 per cent. Provisional data suggest some improvement in the profits of these concerns during 1967-68. In the case of Railways and Posts and Telegraphs also, their finances have been under strain. Both in 1966-67 and 1967-68, Railways incurred deficits, to meet which they had to draw from the Revenue Reserve Fund to the extent of Rs. 18 crores and Rs. 31 crores respectively during these two years. Similarly, Posts and Telegraphs incurred a loss of Rs. 14 crores in 1967-68.

61. The returns from undertakings under the control of the States have also been inadequate. Thus, a loss of Rs. 48 crores was incurred on the operations of major irrigation projects in 1967-68. Similarly, an adequate return is not being secured on the generation and distribution of electricity.

62. A number of measures have been taken to improve the profitability of public sector undertakings. In some cases, prices have been adjusted upwards; thus, steel prices and postal rates were raised in the course of the year and power rates are being gradually adjusted upwards. A number of studies have been undertaken of measures to raise the efficiency of the public sector undertakings and several measures have been adopted. These include streamlining of the procedure for scrutiny of project proposals, measures to build up management cadres through systematic training, study of inventory control and planning, review of the physical and financial performance of public enterprises in greater depth and the grant of greater autonomy to the managements of the undertakings in several respects.

63. It has been estimated that, between 1960-61 and 1965-66, tax revenues of the Central and State Governments had at constant rates shown an income elasticity of almost unity. But there are features of the tax system which make it less responsive than is desirable, to the growth of incomes; thus, most excise duties are specific, and, as a result, many of the increases in tax rates in recent years have merely served to correct the reduction in *ad valorem* incidence due to higher prices. The shift of incomes to

the agricultural sector has also played a part. The real burden of land revenue has declined, and agricultural income-tax applies mainly to the plantations and the largest farms. The consumption of commodities subject to excise duties and sales taxes is also relatively less in rural than in urban areas. Due to these factors, the proportion of tax revenue of the Central and State Governments to national income had declined from 14.2 per cent in 1965-66 to 12.3 per cent in 1967-68, in spite of substantial recourse to additional taxation. The ratio of public savings to national income, which had been in the range of 2.5 per cent to 3.0 per cent during the Third Plan is likely to have declined to about 0.5 per cent in 1967-68. The securing of an adequate buoyancy of tax revenues in relation to national income growth will be a major task of public finance policy in the coming years. More generally, it will be necessary to correct the decline in the ratio of total domestic savings to national income from about 10 per cent in 1965-66 to around 8 per cent in 1967-68; and an increase in public savings is a necessary part of this process in our conditions.

64. Certain important decisions have been taken recently regarding the financing of the Fourth Five Year Plan. It has been indicated that Central assistance to the State Governments for the Fourth Plan will be Rs. 3500 crores, which may be compared with a level of Rs. 625 crores in 1968-69. The National Development Council has taken a decision regarding the principles which should govern the distribution of Central assistance among the States, which takes into account the tax effort of individual States, the need to correct disparities in *per capita* income levels as between States, the special problems of certain States such as Assam, Jammu and Kashmir and Nagaland and the need to provide finance for the completion of major irrigation and other projects in certain States. Simultaneously, the range of Centrally-sponsored projects has been drastically reduced. The size of State Plans will depend on the additional resource mobilisation that each State may decide to undertake; and decisions on priorities within the State sphere will be taken by the State Governments themselves within the frame-work of the Plan.

65. Finally, reference may be made to the major role that resource mobilisation through loans will need to play in the financing of the Fourth Plan. These will need to take the form not only of more intensive use of the traditional savings instruments but also the development of new media which will facilitate investments by those with larger incomes to finance schemes in which they may be interested. These would include deposits and loans for expansion of facilities such as power and irrigation.

Monetary Developments

66. There was a moderation in the growth of money supply during the year. Money supply which had expanded by 8.3 per cent in 1966-67 and 9.1 per cent in 1967-68 showed an expansion of Rs. 85 crores between 31st March, 1968 and 24th January, 1969, as against an expansion of Rs. 170 crores in the corresponding period of the

preceding year. Money supply as on 24th January, 1969 stood at Rs. 5486 crores and represented an increase of 7.2 per cent over its level a year ago; this was smaller than the increase of 7.9 per cent in the preceding twelve months.

TABLE 9

Variations in Money Supply

	(Rs. crores)		
	1967-68 Mar. 31 to Mar. 31	1967-68 Mar. 31 to Jan. 26	1968-69 Mar. 31 to Jan. 24
1. Net Bank credit to Government (A+B) .	261	309	289
A. Reserve Bank credit to Government .	166	146	159
B. Banks' holdings of Government securities	96	163	130
2. Net Bank credit to private sector (a+b)	207	-86	-212
(a) Reserve Bank's credit to private sector	17	14	1
(b) Banks' net credit to private sector (i-ii)	190	-100	-213
(i) Banks' advances and holdings of private securities	438	156	164
(ii) Banks' time deposits	248	256	377
3. Net foreign exchange assets of the RBI .	36	-31	12
4. Money supply with the public (a+b) . .	452	170	85
(a) Currency with the public	186	51	93
(b) Deposit money with the public .	266	119	-8

NOTES: 1. The figures of Reserve Bank credit to Government given in the table above represent the change in the indebtedness of Government to the Reserve Bank. Accounts for the fiscal year are, however, completely adjusted only some days after the end of the fiscal year. Also, the figures given above include items such as changes in the rupee coin held by the Reserve Bank and changes in the Reserve Bank's holdings of long-term rupee securities. For these reasons, the figures of Reserve Bank credit to Government shown here differ from the budgetary deficits as shown in the budget documents.

2. Figures may not add up to totals due to rounding.

67. The principal factor responsible for this moderation of the growth of money supply has been the smaller net bank credit so far to both the Government and private sectors. While the RBI's net credit to Government amounted to Rs. 159 crores between 31st March, 1968 and 24th January, 1969 as compared to a net increase of Rs. 146 crores in the corresponding period of the preceding year, commercial banks' investment of Rs. 130 crores in Government securities has been smaller than last year's level of Rs. 163 crores. In the case of the net bank credit to the private sector, a major offsetting factor has been the growth of time deposits which have shown so far (31st March, 1968 to 24th January, 1969) an increase of Rs. 377 crores as compared to an increase of Rs. 256 crores in the corresponding period a year earlier. Time deposits as on 24th January, 1969 showed an increase of 17.4 per cent over their level a year ago, which was significantly higher than the rate of increase of 13.4 per cent in the preceding year.

68. The monetary developments in the current year can best be reviewed against the changes in the Reserve Bank's credit policies initiated around the middle of 1967 and carried further during the 1967-68 busy season. A *resume* of these changes was given in the last year's Economic Survey, and these were meant to provide refinance at the Bank Rate or at a rate lower than the Bank Rate (i.e., $4\frac{1}{2}$ per cent) to the priority sectors *viz.*, exports, agriculture and small scale industries in order to counter recessionary trends in the economy. This selective liberalisation of credit was followed by a reduction in the Bank Rate from 6 per cent to 5 per cent on 2nd March, 1968, accompanied by an all-round downward adjustment in the interest rate structure. The maximum rate prescribed for commercial banks on their advances was reduced from 10 per cent to $9\frac{1}{2}$ per cent and it was further decided that the benefit of $\frac{1}{2}$ per cent reduction should extend to at least 80 per cent of banks' advances. There was also a lowering of term deposit rates; the maximum rate prescribed for 15-45 days deposits and 46-90 days deposits were reduced from 1.5 per cent to 1.25 per cent and from 3.0 per cent to 2.5 per cent respectively. The minimum rates prescribed in respect of one year deposits and savings bank deposits were reduced from 6 per cent to 5.5 per cent and from 4 per cent to 3.5 per cent respectively. Simultaneously, a ceiling of 6 per cent was imposed on the rate to be charged by commercial banks on their advances for exports; the banks, in turn, were to be compensated by a subsidy from Government, amounting to $1\frac{1}{2}$ per cent of the credit sanctioned.

69. The downward adjustment in the interest rate structure was made in order to reinforce the fiscal measures introduced in the Central Budget to aid economic recovery. This was also accompanied by further liberalisation and diversification of the IDBI's terms of refinance. This liberalisation included reduction in the cost of export credit and the refinancing of bill/promissory notes arising out of sales of indigenous machinery on deferred payment basis and those arising out of sales on hire-purchase basis of new trucks,

jeeps and buses to transport operators in the private sector. The IDBI now refinance in respect of export credit which can be sanctioned upto 7 years and, in deserving cases, upto 10 years at 4½ per cent, provided banks do not charge more than 6 per cent. Similarly, in the case of bills/promissory notes arising out of sales of indigenous machinery on deferred payment basis, the IDBI's rates now vary from 4½ per cent to 5½ per cent depending on the maturity period, but again subject to the condition that the financial institutions do not charge more than 1 per cent above the rediscounting rate. In December, 1968, the IDBI has also initiated a participation scheme in respect of assistance to exports under which it has agreed to offer its share of export finance at 4½ per cent, with a guarantee commission of 1 per cent. More recently, in order to facilitate larger sale of indigenous capital goods, it has extended its scheme of rediscounting bills arising out of sales of indigenous machinery on deferred payment basis to purchasers in the public sector such as Electricity Boards, Transport Undertakings and Government companies.

70. During the 1967-68 busy season, bank credit had expanded by Rs. 509 crores—an all time high. This credit expansion, however, included Rs. 107 crores on account of bank assistance for the food procurement operations of the Food Corporation of India. Excluding advances against foodgrains to the Food Corporation and private parties the credit expansion was of the order of Rs. 402 crores in the 1967-68 busy season as against an expansion of Rs. 417 crores in the preceding busy season.

TABLE 10
Scheduled Commercial Bank Credit

At the end of	Outstanding	(Rs. crores)
Variations		
1966-67 Busy Season	2669·6	426·7
1967 Slack Season	2567·8	101·8
1967-68 Busy Season	3077·3	509·5
1968 Slack Season	3057·3	20·0

71. As a result of the continued bank assistance for food procurement operations, the 1968 slack season did not witness the usual seasonal contraction. The contraction was only of the order of Rs. 20·0 crores as against Rs. 101·8 crores in the 1967 slack season. The return flow of credit in the 1968 slack season was hardly 4 per cent of the preceding busy season expansion as compared to the return flow of 24 per cent experienced in the 1967 slack season. Thus, despite the large increase in the total deposits

Rs. 219 crores in the 1968 slack season as compared to Rs. 191 crores in the 1967 slack season—the banks' investment in Government securities was smaller at Rs. 123.9 crores as compared to last year's level of Rs. 218.2 crores. Thus, at the beginning of the 1968-69 busy season, while the credit-deposit ratio was higher at 74.7 than last year's level of 70.3, the investment-deposit ratio stood lower at 26.6 as compared to 31.5 a year ago.

72. For the 1968-69 busy season, the RBI has decided to continue its policy of liberalised credit to the priority sectors. This includes continued provision of refinance at 4½ per cent for credit to exporters of engineering and metallurgical products, and in respect of increases in bank credit to each of the three priority sectors, *viz.*, exports, agriculture and small industries guaranteed by the Credit Guarantee Organisation. The Bank would, in addition, continue providing refinance at the Bank Rate, irrespective of the net liquidity ratio, in respect of food procurement and allied operations and agriculture and exports. The system whereby the increase in the credit extended by banks to the priority sectors does not impair the net liquidity ratio was also continued. For this purpose, the definition of agriculture has been widened by including in it not only advances for the distribution of fertilizers and other inputs but also medium-term credit given for installation of wells and similar investment purposes and refinanced by the Agricultural Refinance Corporation. Moreover, in order to assist further the economic recovery, the RBI has, among other things, agreed to relax the existing norm of 5 per cent of deposits in respect of medium and long-term lending by commercial banks. Banks were also informed that the norm of 75 per cent to govern their credit-deposit ratio could be exceeded if their overall position warranted it. This was in addition to the exclusion of credit to priority sectors like exports from the calculation of the norm.

73. During the year, the RBI also relaxed some of its selective controls in the light of improved supply situation of certain commodities. For instance, these were relaxed in respect of oilseeds and vegetable oils and foodgrains other than rice and wheat in May, 1968, in respect of indigenous cotton and kapas in June, 1968, and in respect of wheat in August, 1968. However, in October, 1968, the RBI had to step in to regulate bank advances against raw jute to parties other than jute mills and against jute goods to parties other than exporters, by imposing a ceiling on bank advances and prescribing margin requirements. This was done in view of the reduced availabilities of raw jute and the consequential spurt in the prices of that commodity. Similarly, in view of the anticipated shortfall in the production of oilseeds in 1968-69, the Bank tightened in November, 1968 the margin requirements in respect of advances against oilseeds and vegetable oils (including vanaspati).

74. During the busy season so far (*i.e.*, 25th October, 1968 to 24th January, 1969), commercial bank credit has shown an increase of only Rs. 66 crores. The explanation for this may be that some of the earlier bank credit sanctioned for food procurement operations is flowing back to the banking system. Over the year ending 24th

January, 1969 total commercial bank credit outstanding rose by about 13 per cent, as compared with about 10 per cent in the preceding year.

75. Mention was made in the last year's Economic Survey of the policy of social control introduced in order to ensure purposive channelling of credit into the priority sectors. The National Credit Council, set up to implement the social control scheme, will make a periodic assessment of the demand for bank credit from the various sectors and determine priorities for grant of loans and assistance, having regard to the availability of resources and requirements of the priority sectors, in particular, agriculture, small scale industries and exports. It will also co-ordinate lending and investment policies of commercial and co-operative banks and other financial institutions to ensure an optimum and efficient use of the overall resources. During the year, the National Credit Council had two meetings and made recommendations for enlarging credit facilities to agriculture and small scale industries. Following the RBI's discussions with commercial banks, the latter agreed to allocate 15 per cent and 31 per cent respectively of their fresh deposits (after providing for statutory liquidity requirements) to agriculture and small scale industries. Though several of the measures contemplated in the scheme of social control had been brought into force during the year by the banking system in anticipation of legislation in this regard, the policy of social control was given legal form by the passing of the Banking Laws (Amendment) Act, 1968. *Inter alia* this provides for changes in the constitution of bank management and prohibits loans and advances to directors or concerns in which they may be interested. An important feature of the changes prescribed in the case of bank management is that a bank will have a professional banker, and not an industrialist, as a full-time Chairman and that not less than 51 per cent of the strength of the Board of Directors will consist of persons having special knowledge of or experience in accounting, banking, economics, agriculture and other matters, relevant to banking operations.

76. The significance of channelling credit to the priority sectors as visualised under the social control scheme has to be viewed particularly in the context of the massive requirements of production and distribution credit of the agricultural sector in the coming years. An adequate supply of credit for distribution of fertilizers, seeds and other agricultural inputs is vital for the success of the new agricultural strategy. The increasing requirements of credit in the agricultural sector alongside the credit needs of the industrial and trading sectors of the economy would call for vigorous efforts by both commercial and co-operative banks at deposit mobilisation. The substantial increase in time deposits, particularly in the areas which have witnessed a substantial increase in agricultural production, is a pointer to the possibilities in this direction.

77. In the field of co-operative credit, a noteworthy development during the year was the enactment of legislation with a view to setting up Agricultural Credit Corporations in the five States of Assam.

West Bengal, Bihar, Orissa and Rajasthan and the two Union Territories of Manipur and Tripura. The co-operative structure is relatively weak in these parts of the country and the new corporations should strengthen and enlarge the credit facilities already existing. However, in these areas as well as in those parts of the country where co-operative credit is better established, the credit requirements of the agricultural sector are so large that there will be ample scope for both commercial and co-operative banks to operate.

78. This review of monetary trends in the year brings into clear relief the better balance that was restored in the economy between the overall pressure of demand and the availability of supplies, which was reflected in the degree of price stability that marked the year. The measures taken to ease monetary policy by providing for adequate credit, in particular to the priority sectors such as exports and agriculture, have not led to any signs of credit inflation. On the contrary, credit policy has been adapted to stimulate industrial production on the one hand and to avoid an untoward decline in farm prices on the other.

79. Credit policy in the coming year will have to continue to lay emphasis on the priority areas identified by the National Credit Council and to be geared to a step-up in production and exports. Care will also have to be taken to ensure that hoarding and speculation are curbed and stability of prices is preserved. In addition, the banking system will need to organise itself to deal more adequately with the tasks that lie ahead in the fulfilment of the social and economic objectives of the country, and the Banking Commission, which has recently been appointed, is expected to provide the guidelines for this endeavour. The terms of reference of the Banking Commission call for a comprehensive review of the entire banking structure in all its aspects. They include an enquiry into the existing structure, coverage, operating methods and management policies of commercial banks. The Commission will also review the working of co-operative banks and the role of non-banking financial institutions and indigenous banking agencies such as Multanis and Shroffs. It is required to submit its report by the end of 1970.

VI—THE BALANCE OF PAYMENTS AND FOREIGN AID

80. India's balance of payments, which came under severe strain in 1966-67, remained weak during the major part of 1967-68. In the last four months of 1967-68, there was, however, some addition to reserves as the trade deficit narrowed with a pick up in exports. The improvement has continued through the current year, there being a considerable narrowing of the trade deficit due to a substantial increase in exports and some fall in imports. However, with the rising debt service charges and the repayments to IMF, this improvement will not be reflected in any significant variation in reserves.

81. India's foreign exchange reserves showed a nominal increase of \$ 12 million in 1966-67. But there was a net drawing of 130 million from the IMF to replenish the country's rapidly declining liquidity and if adjustments are made for this the reserves show a net fall of \$ 118 million in 1966-67. In contrast, in 1967-68 reserves showed a net increase of \$ 48 million, the increase in reserves being \$ 80 million and net assistance from IMF being 32 million.

82. The increase in reserves in 1967-68 occurred in the last four months of the year. In the previous eight months there was, on the other hand, a fall in reserves of \$61 million, from \$638 million at the end of March 1967 to \$577 million at the end of November 1967. India, therefore, secured from the IMF in December, 1967 an assistance of \$ 90 million under its compensatory financing facility. The object of this scheme is to extend help to members who are encountering payments difficulties as a result of a temporary export shortfall. The drawing under the compensatory financing facility is to be repaid as soon as possible; after the end of each of the four years following the drawing, repurchases should be made of an amount approximately equal to one half of the increase in the export proceeds over the medium term trend of exports. Accordingly, on the basis of the increase in exports during the twelve month period ended 31st August, 1968 India repurchased \$ 30.5 million in January, 1969.

83. Reserves continued to increase over the first seven months of 1968-69. At the end of October, 1968, they were \$ 776 million as compared to \$ 718 million at the end of March, 1968. In recent months, there has been a fall in reserves due to a repayment of \$ 70.5 million against the compensatory financing facility*. At the end of January, 1969 India's foreign exchange reserves were estimated at 678 million as compared to \$ 701 million a year ago.

84. The improvement in the balance of payments in 1967-68 was on account of a substantial decline in imports, a modest increase in

*A repurchase of \$7.5 million against drawings from IMF will be made in March, 1969.

exports and an improvement in aid utilisation. Imports declined by \$139 million (Rs. 104.1 crores) or 5 per cent from the level of \$2771 million (Rs. 2078.3 crores) in 1966-67. Exports rose modestly by \$56 million (Rs. 42.2 crores) or 3.7 per cent from the level of \$1542 million (Rs. 1156.5 crores). As a result the adverse trade balance was reduced from \$1229 million (Rs. 921.8 crores) in 1966-67 to \$1034 million (Rs. 775.5 crores) in 1967-68. This improvement on the trade account was, however, partly offset by higher debt servicing charges. Aid utilisation was, higher during 1967-68 as compared to 1966-67. Aid, other than PL 480 and other food aid, amounted to \$1111 million (Rs. 833.0 crores) in 1967-68 as compared to \$934 million (Rs. 700.5 crores) in 1966-67. PL 480 and other food assistance, however, declined from \$573 million (Rs. 429.8 crores) in 1966-67 to \$475 million (Rs. 356.3 crores) in 1967-68. There was a drawing of \$90 million (Rs. 67.5 crores) from the IMF under its compensatory financing facility in 1967-68 but a repurchase of \$58 million (Rs. 43.5 crores) against normal drawings earlier reduced net assistance from the IMF to \$32 million (Rs. 24.0 crores). The consequence of all these operations was a net increase of \$48 million (Rs. 36 crores) in foreign exchange reserves.

85. The continued improvement in 1968-69 is due primarily to a striking growth in exports. Export earnings in the first half of the current fiscal year amounted to \$896 million (Rs. 672.0 crores) or \$133 million (Rs. 99.8 crores) more than in the corresponding period of the previous year. Imports also are running lower; at \$1278 million (Rs. 958.5 crores) during April-September, 1968 they show a fall of \$79 million (Rs. 59.3 crores) compared to April-September, 1967. Interest and amortisation payments also are higher during the half year and the volume of aid utilisation is running at a lower level. Foreign exchange reserves rose by \$36 million (Rs. 27.0 crores) between April and September, 1968.

86. Certain important changes have taken place in the past 18 months in the direction of India's imports and exports. In 1966-67 about 11 per cent of India's imports came from East European rupee payment countries. While the overall imports declined by 5 per cent between 1966-67 and 1967-68, the imports from East European rupee payment countries declined by 12 per cent. The decline from all other countries excluding Eastern Europe was only 4 per cent. On the other hand in the first six months of the current fiscal year while imports from all other areas declined by 10 per cent imports from East European rupee payment countries actually rose by over a third of the level during April-September, 1967. India's exports to East European rupee payment countries were slightly under 20 per cent of her total exports in 1966-67. They remained more or less at the same absolute level in 1967-68 while exports to all other countries increased by 4.5 per cent. In the first half of the current fiscal year exports to Eastern Europe increased by 10 per cent, but exports to all other countries increased by 19.5 per cent.

Imports

87. The principal reason for the decline in imports in 1967-68 was the reduction in food imports to \$691 million as compared to \$868

million in 1966-67. In 1966-67 food imports had been abnormally high in view of low domestic output; the improvement in agricultural production in 1967-68 facilitated the reduction in imports.

TABLE 11
Imports: Broad Commodity Groups

(In \$ million)

Commodity	1965-66	1966-67	1967-68	1967-68		1968-69
				April-Sept.	Oct.-March	April-Sept.
Food	676	868	691	364	327	267
Cotton	97	75	111	79	32	87
Jute	12	28	2	2	..	Neg.
Animal and vegetable oils	32	20	45	30	15	10
Fertilizers and fertilizer materials	108	166	273	110	163	151
Petroleum products	143	84	100	43	57	66
Machinery and transport equipment	1033	768	662	326	336	360
Others	857	762	748	402	346	337
TOTAL	2958	2771	2632	1356	1276	1278

Source : D.G.C.I. & S.

88. Imports other than foodgrains were slightly higher in 1967-68 than in 1966-67. This was due to a steep increase in the imports of fertilizers and fertilizer materials in pursuance of the new agricultural strategy. Imports of fertilizers and fertilizer materials increased by \$ 107 million or 64 per cent.

89. The imports of petroleum and petroleum products rose by \$ 16 million between 1966-67 and 1967-68. The composition of petroleum products imported into the country has been undergoing a rapid change due to the increasing refining capacity that is being set up in the country. The imports of crude oil increased between the two years in order to match the increasing output of the refineries in the country. Similarly the import of lubricants also went up sizably. On the other hand, because of the increase in manufacturing capacity in the country a number of products, formerly imported, like aviation fuel, kerosene, high speed diesel oil, furnace oil, etc., were either not imported or imported in substantially reduced quantities. Part

of the increase in the value of imports of petroleum products was also due to an increase in freight rates, consequent upon the closure of the Suez Canal.

90. Imports of several agricultural raw materials rose because of two successive poor crops. Raw cotton imports increased by \$36 million or nearly 50 per cent. Imports of animal and vegetable oils were higher at \$ 45 million, and, therefore, slightly more than double, in order to meet the requirements of the vanaspati and soap manufacturers. On the other hand, the very good jute crop in 1967-68 resulted in a virtual elimination of raw jute imports, which had amounted to as much as \$ 28 million in 1966-67.

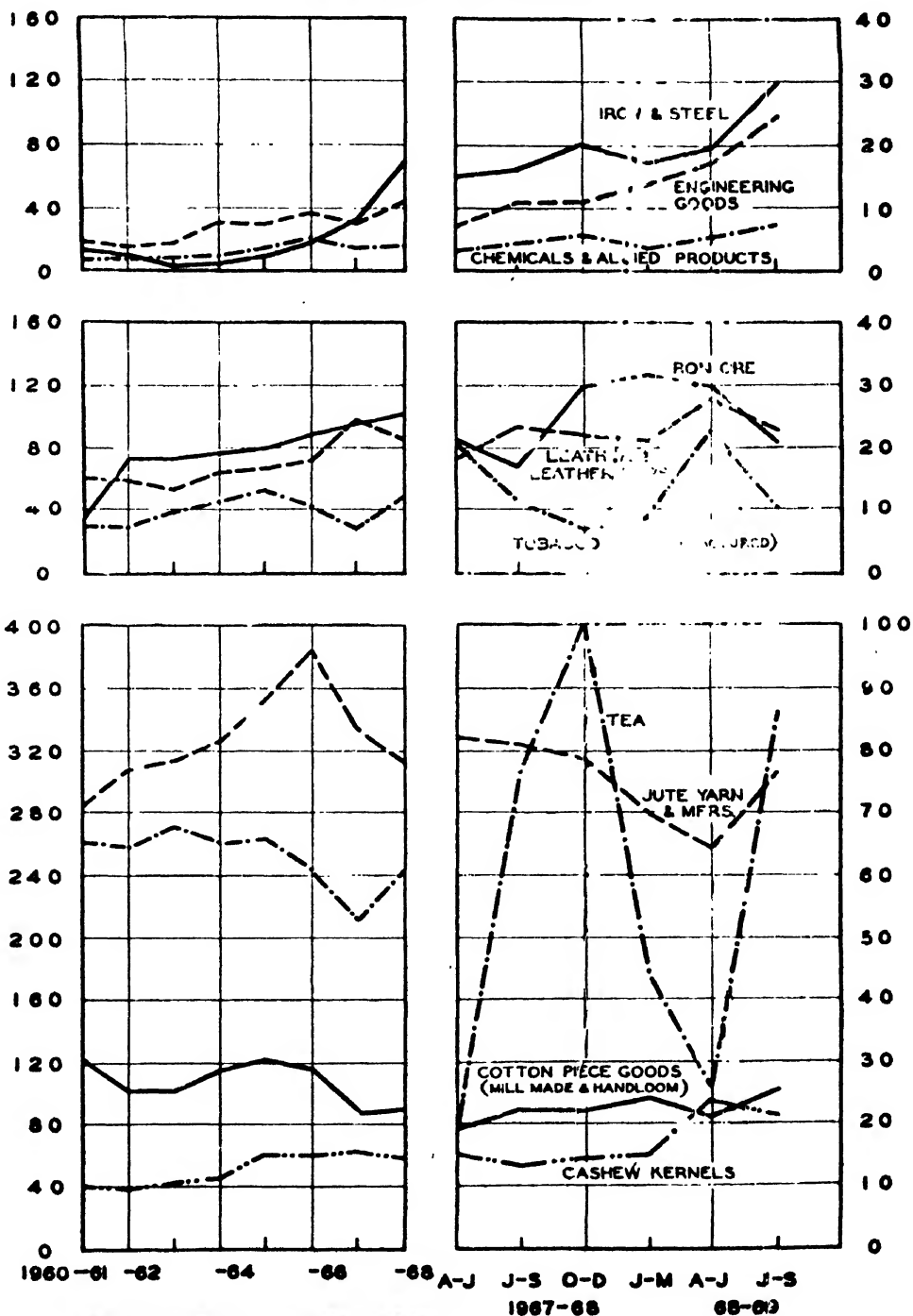
91. Imports of capital goods, metals, components and spare parts were subdued, reflecting slack industrial output, the progress of import substitution and possibly some reduction in inventories. Imports of complete non-electrical plant and equipment declined by 23 per cent from \$ 282 million to \$ 217 million. The imports of components and spares of non-electrical equipment fell by \$ 32 million or 12 per cent. The imports of both complete electrical equipment and component and spares thereof fell by 20 per cent to \$ 112 million. However, imports of complete equipment and components of transport equipment, which had declined by about 44 per cent between 1965-66 and 1966-67 rose in 1967-68 by about 25 per cent to \$ 102 million. The import of steel which had fallen by a little less than 40 per cent between 1965-66 and 1966-67 rose by about 10 per cent to \$ 142 million.

92. During the current year so far the demand for imports has continued to be weaker than during the same period last year. During April-September, 1968 the value of imports was about 6 per cent lower than during the first half of 1967-68. The decline in food imports was further accentuated, the relative fall in the value of food imports being nearly 26 per cent. Imports of machinery and transport equipment, however, rose by about 11 per cent. A notable feature of the rise in demand for imported equipment is the sudden pick up in requirements of components, spare parts and accessories; imports of complete equipment declined somewhat. Imports of raw cotton and jute taken together rose by about 7 per cent owing to an increase in raw cotton imports; imports of raw jute were negligible. Imports of all other commodities were about 16 per cent lower than in the first half of 1967-68. On the face of it, this is somewhat paradoxical; for, with rising industrial production, a rise in the demand for imported materials and other current inputs might have been expected. However, the decline in imports of commodities other than food, fertilizers, equipment, cotton and jute resulted largely from better availability of agricultural products like vegetable oils and a significant decline in imports of iron and steel and non-ferrous metals; imports of most other materials rose.

Exports

93. Exports showed a modest increase in 1967-68 but they have increased sharply in the first six months of this year. During April-September, 1968 they amounted to \$ 896 million as compared to \$ 763

EXPORTS OF MAJOR COMMODITIES (MILLION DOLLARS)



million during the comparable period last year. Usually the second half of the year is seasonally slightly better for exports than the first half because of the arrival of commercial crops like jute, tea, etc. in the market. On this basis for the whole of 1968-69 exports may well be 8 to 9 per cent higher than the level in the previous year.

94. While there has been a striking improvement in the export picture, exports in 1968-69 will be only somewhat higher than the levels in the years 1964-65 and 1965-66. Therefore, what is happening now is in part, as in the case of agriculture, a resumption of the upward trend which was interrupted by the drop in exports in 1966-67. The export picture is encouraging, however, for another reason. While in the years mentioned above, the exports reached a high total because of large exports of jute, cotton textiles and tea, in 1967-68 and this year it is items like engineering goods and iron and steel that are largely responsible for this very good performance. The exports of iron and steel at \$ 69 million in 1967-68 were slightly more than double of those in 1966-67, and in the first six months of 1968-69 they were 59 per cent higher than the figure for the same period last year. A figure of \$ 100 million is not beyond achievement during the whole year. Similarly, the performance of engineering goods has also shown remarkable growth. Between 1966-67 and 1967-68 their exports rose by about 42 per cent to \$ 44 million, but in the first six months of this year, they were 126 per cent higher than the exports during the same period last year and slightly less than the annual exports of 1967-68. At this rate they could also reach the level of about \$ 90 million by the end of the year.

95. Most of the steel items which India exports are bars, rounds, structurals, rails and billets which can be used by re-rollers. Hindustan Steel Ltd. has played a prominent part in this field. It is possible to export these items because of a slack domestic demand due to the slowing down of activity in the economy. The markets for these products are to be found in West Asia, East Africa and South East Asia mainly. India has been able to secure a foothold in some of these markets partly because of the closure of the Suez Canal. The increased freight from European suppliers reduces the amount of competition which India has to face in these markets.

96. Although under the heading "engineering goods" scores of items are exported, the main items which go out in sizable quantities are mild steel pipes, tubes and fittings, automobiles and automobile parts, railway wagons, coaches, bicycles and parts, hand tools and small tools, electric wires and cables, office equipment, transmission line towers and poles, dry and storage batteries and diesel engines and parts. Here again the markets are countries in and around the Indian Ocean, though items like tubes, castings, small tools and hand tools are exported to destinations like the United States. To a certain extent these exports also result from a slack in domestic demand but the vigorous promotion policy pursued should also be given a share of the credit. Another notable feature about the exports of engineering goods is the fact that in several cases contracts to supply these goods were obtained in open competition. Thus orders have been secured for supply of steel

structurals, cranes and power station structures worth Rs. 10 crores from USA, Sudan, Iran, Kuwait and Philippines. Iran, Thailand, Philippines and Kuwait have together placed orders for electric cables and conductors valued at Rs. 15 crores. Railway track accessories, wagons and coaches amounting to nearly Rs. 6 crores have been ordered by Iran, Burma, Hungary and the East African countries. Sugar and textile machinery worth Rs. 5 crores is to be supplied to the UAR.

97. While in 1967-68 only a few items like tea, iron and steel, engineering goods and tobacco were responsible for the increase in export value over 1966-67, in the current year every item (with the notable exception of jute) shows considerable improvement over the previous year. Tea exports this half year are about 16 per cent higher than the level in the corresponding period last year.

98. The performance of cotton fabrics was marginally better in 1967-68 and the improvement continues to be maintained in the first six months of this year. But the level of exports is substantially below the high performances in 1964-65 and 1965-66. This was partly due to shortages of cotton. The better crop last year should improve export capability. On the other hand, the introduction of the import deposit scheme in the U.K. and the currency crises in some countries in Western Europe may affect cotton textile exports.

99. Exports of iron ore have also done well this year, being about 40 per cent higher than in the corresponding period last year. There should be a considerable expansion of exports in the second half of the current year, as a result of the recent opening up of the Bailadila mine. Cashew kernels are another item of exports which has fluctuated around \$ 57 million over the past three years. But in the first six months this year, they are about 55 per cent higher than exports in the first half of last year.

100. The export picture has certain disturbing features as well. The most important is the fact that jute exports have been declining. They fell from \$ 333 million in 1966-67 to \$ 312 million in 1967-68. In the first six months of this year they amounted to \$ 141 million or \$ 22 million less than in the same period last year. In part, jute exports have been affected by the short jute crop this year which has led to a sharp increase in raw jute prices. Arrangements have been made for substantial imports of raw jute in order to alleviate the situation. There are, however, certain long term factors which cause concern. Over the years exports of sacking have declined because of intense competition from Pakistan. Last year, exports of sacking were about a half of what they were two years ago. Exports of hessian, other than carpet backing, have also suffered. There has been marked increase in exports of carpet backing cloth used in the manufacture of tufted carpets in the United States, though competition from Pakistan has increased in this field also. Good progress has been made in exports of specialities of various kinds.

101. The jute industry faces competition not only from the jute industry in Pakistan but also from synthetics. The maintenance of export of jute goods calls for stabilisation of prices of products, which in turn depends on availability of adequate supplies of raw jute at stable prices. There is need to ensure that, when possible, an adequate buffer stock of raw jute is built up, so that prices can be stabilised at levels remunerative to the farmers and reasonable from the view point of the industry. Efforts by the industry to assist in the improvement of jute output have been facilitated by the tax concessions announced in the budget for 1968-69 regarding expenditures incurred to promote output of agricultural raw materials. It may also be noted that the modernisation of the jute industry is assisted by a loan scheme on concessional terms.

102. Exports of sugar declined substantially due to a poor sugarcane crop in 1966-67. Exports are not likely to amount to more than one lakh tonnes as compared to the normal three lakh tonnes.

103. Another item whose exports have declined over the year and a half is hides and skins. Earnings from this commodity had tended to fluctuate around \$ 20 million. In 1967-68, exports declined to \$ 10 million and, in the first half of 1968-69, exports were only \$2.9 million as compared to \$ 7.2 million in the first half of 1967-68. In part, a decline in exports of hides and skins may have been due to processing of larger quantities of the available supplies for export in the form of leather and leather manufactures. Exports of leather and its manufactures amounted to \$ 71 million in 1967-68 and \$ 47 million in the first half of 1968-69 or 28 per cent more than in the corresponding period of 1967-68.

104. Export earnings in 1967-68 were adversely affected by lower international prices of most of the major export commodities. Unit realisations from export sales declined in the case of jute manufactures, cashew kernels, pepper, coffee, manganese ore, mica, leather and vegetable oils. There was, on the other hand, some rise in prices of iron ore, tea, tobacco, sugar and fish; but, by and large, international price movements exercised a depressing influence over export earnings. During the first half of the current fiscal year, unit realisations from jute manufactures, sugar, pepper, manganese ore and vegetable oils fell further. Prices of tea, tobacco, sugar and fish which had risen somewhat in 1967-68, began to decline, as also export prices of oil cakes, which had remained more or less steady during 1967-68. International prices of cashew kernels, mica and coffee, however, recovered. Nevertheless, for exports as a whole, prices were quite unfavourable and the rise in export earnings despite an adverse turn in export prices reflects a much larger rise in the volume of exports.

Import and Export Policy

105. Import policy has been applied to ensure that while on the one hand the requirements of imports for priority purposes are fully met, the new opportunities for import substitution are fully exploited on the other. The import policy for 1968-69 continued the licensing of imports to actual users engaged in the priority industries on the

basis of needs. A firmer link was, however, established between the grant of import licences and the actual utilisation of imports for production. A number of items were added to the banned list, and in respect of others, it was indicated that imports would be allowed to actual users on a restricted basis. In order to ensure that considerations such as quality, delivery dates and price were fully taken into account in taking decisions on requests for import licences for capital goods, a system of advertisement of requirements was introduced.

106. Adjustments were made in the import policy with a view to assisting exports. The import replenishment scheme introduced in 1966 by which registered exporters could obtain, against the export of certain specified items, replenishment, from the most preferred sources, of imported materials, intermediates, components and parts used in the manufacture of these products has been continued during the current year. In addition, units in the priority industries which have exported at least 10 per cent of their production in 1967-68 are to be given facilities to import all of their requirements from sources of their own choice. Their applications for expansion of production facilities and for imports needed for such expansion are to be favourably considered. These facilities are now to be extended to non-priority industries also where the end products are covered by the import policy for registered exporters, provided their exports during 1967-68 amounted to 10 per cent or more of their production. From the priority sector, 10 industries have been selected on the basis of their export potential. The units engaged in these industries would have to export at least 5 per cent of their production, failing which they would be liable to cuts in their import entitlements. This penalty would not apply to small scale units and units which have been in production for less than five years. Manufacturer exporters can also under certain circumstances convert 50 per cent of the value of import licences issued to them of plant and machinery required for replacement, balancing or modernisation.

107. The scale of cash assistance to exports has been raised in selected cases where performance during 1968-69 exceeds performance during the previous year by not less than 10 per cent. The increase ranges from 2½ per cent to 10 per cent for different items. If, however, the improvement in export performance does not exceed 10 per cent, cash assistance will be granted at the lower rates prevalent earlier.

108. As noted in the Economic Survey for 1967-68, following the devaluation of the pound sterling, export duties on certain types of jute goods, tea, coir yarn and coir manufactures were lowered, while certain jute specialities, finished leather and some categories of tanned hides and skins were completely exempted from duty. With a view to maintaining the competitiveness of our products in outside markets, export duties have been kept under constant review. Since June, 1968 export duty has been removed or reduced further for certain varieties of jute manufactures. In August export duties on all grades of iron ore with less than 63 per cent of iron content were lowered substantially and in October further duty reliefs were given on tea, in addition to assistance on a more generous scale for re-planting of tea bushes.

109. A number of tax concessions have been given to exporters in the budget for 1968-69. An export market development allowance to encourage exporters to develop their marketing competence was announced. Tax payers (other than foreign companies) incurring expenditure for the development of export markets are allowed as a deduction from their income 1-1/3 times such expenditure. Besides, new equipment installed for the manufacture of vegetable oil and oil cakes by the solvent extraction process qualified for development rebate at the rate of 35 per cent of the cost.

110. The scope of the facility of granting blanket foreign exchange release permits to recognised export houses and other exporters, in existence for the last 5 years, has been widened. Such foreign exchange releases now cover overseas expenditure not only for business visits but also for market studies, advertisements, participation in exhibitions and trade fairs, samples, etc. The minimum turnover prescribed for the grant of such blanket releases has now been reduced to Rs. 5 lakhs in the case of non-traditional goods and Rs. 25 lakhs in the case of other goods.

111. To an extent the increases in exports of the newer manufactures have been the result of slack domestic demand and adventitious factors such as the closure of the Suez Canal. Strenuous efforts will be necessary to secure continuing growth in exports of these products. This in turn means that the priority given to exporting units in the matter of capacity expansion and imports of components and raw materials will need to continue and indeed to be strengthened. It will be necessary to give high priority to the claims of exports when decisions are taken with regard to new investments. This consideration is being taken fully into account in the formulation of the Fourth Five Year Plan.

External Assistance

112. There has been a substantial decline in fresh authorisations of foreign assistance during the last eighteen months. These amounted to only \$ 982*million in 1968-69 as compared to \$ 2136 million in 1966-67. If PL 480 assistance is excluded new authorisations amounted to only \$ 658 million in 1967-68 as compared to \$ 1612 million in the previous year. This sharp drop in authorisations of fresh aid was due to several reasons. The U.S.S.R. and other East European countries had authorised aid in 1966-67 for a five year period, and only Bulgaria among these countries made any fresh commitment subsequently. Similarly, the International Development Association was not able to announce any authorisation in 1967-68 because its resources had not been replenished by its members. Finally, U.S. assistance was lower due to a reduction in the overall U.S. aid appropriations.

*This includes the authorisation of U. S. loan of \$ 225 million which was actually disbursed in May, 1968.

113. In the first half of 1968-69 only \$ 323 million of non-project assistance and \$ 81 million of project assistance had been committed. Subsequently, U.S.A. authorised a non-project loan of \$ 194 million and a loan of \$ 37 million for the expansion of the Trombay Fertilizer Project. The IDA authorised in the month of January, 1969 a non-project loan of \$ 125 million, the first loan from that agency after December, 1966. The authorisation this year was made possible by the welcome action of Canada, Sweden, Denmark, Norway, Netherlands, Finland, the Federal Republic of Germany and the U.K. in making advanced contributions to IDA funds in spite of the U.S. contribution not being available. Total aid committed so far in the current year by the Consortium members amounts to \$ 760 million comprising non-project assistance of \$ 642 million and project assistance of \$ 118 million. To this the project assistance of \$ 16.5 million committed by the two non-Consortium countries, Sweden and Norway, and PL 480 assistance of \$ 167 million should be added to arrive at the total aid available for the current year.

114. Aid utilisation, on the other hand, improved substantially during 1967-68. Total disbursements were higher by \$ 80 million as compared to \$ 1506 million in 1966-67. Exclusive of food assistance, aid disbursements showed a sharp growth between the two years from \$ 933 million in 1966-67 to \$ 1111 million in 1967-68. The result was a sharp decline of aid in the pipeline from \$ 3280 million at the end of March, 1967 to \$ 2676 million at the end of March, 1968. Disbursements in the first half of 1968-69 are running about 17 per cent lower than in the corresponding period of last year largely because of a drop in food imports; the utilisation of assistance other than in the form of foodgrains is also lower than in the first half of last year reflecting the general sluggishness in imports in spite of the improvement in industrial production. In view of the lower level of aid utilisation and disbursement during the year of a U.S. loan \$ 225 million authorised in 1967-68, it is likely that the aid pipeline at the end of 1968-69 will be somewhat higher than at the end of March, 1968.

TABLE 12

Inflow of Foreign Assistance: Gross and Net
(Million Dollars equivalent)

Item	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	Total 3rd Plan	1966- 67	1967- 68	** April—Sept.	
									1967- 68	1968- 69
1. Gross aid dis- bursement of which food aid:	711	933	1239	1520	1622	6025	1506	1586	760	632
(i) PL 480/665	185	258	389	458	502	1792	480	414	196	112
(ii) Wheat grants and special food assis- tance	7	...	1	8	16	32	93	61	52	19
TOTAL (i + ii)	192	258	390	466	518	1824	573	475	248	131
2. Amortisation payments	145	105	124	147	124	645	184	283	104	138
3. Interest pay- ments	69	81	100	107	139	496	135	161	82	79
4. Total debt ser- vicing (2+3)	214	186	224	254	263	1141	319	444	186	217
5. Net aid flow (1-4)	497	747	1015	1266	1359	4884	1187	1142	574	415
6. Net aid flow exclusive of food aid	305	489	625	800	841	3060	614	667	326	284

NOTES:—(1) Data for April-September 1968-69 are provisional.

(2) Gross aid includes loans repayable in foreign currency, through export of goods, loans repayable in rupees (except PL 480 rupee loans), PL 480 assistance and grants.

(3) Debt service payments relate to those involving foreign exchange.

(4) Transactions with Kuwait, Bahrain, Qatar and the Trucial States are excluded.

** Includes debt relief.

115. The large aid disbursements in the past two years have not meant a high volume of net inflow of external resources into the economy because of the rapidly growing interest and amortisation payments that have to be made on past loans. Total debt service charges have been rising sharply since 1965-66 and will amount to \$ 517 million in 1968-69. If these are adjusted for, net aid other than in the form of foodgrains drops sharply from \$ 841 million in 1965-66 to \$ 614 million in 1966-67 and \$ 667 million in 1967-68. The level of net aid during 1968-69 will be lower than last year in spite of the somewhat higher commitment by the Consortium countries.

116. It is because of the availability of aid in the pipeline, slack demand conditions in the economy and the progress of import substitution that it has been possible to meet import requirements in spite of the decline in fresh aid authorisations. While there is still a considerable volume of funds in the pipeline, it has to be noted that the bulk of this consists of project aid where there is necessarily a substantial time lag between authorisation and utilisation; and even in the case of non-project aid available to finance the import of commodities, a considerable period of time has necessarily to elapse between the issue of licences and actual utilisation. The substantial step-up in industrial and agricultural activity which can certainly be expected next year will lead to an increase in imports and exert considerable pressure on our external resources in spite of increased import substitution. The increase in export earnings which can also be expected to take place will not help relieve the strain because debt service payments will be higher than during the current year. There is thus need for a significant step-up in the fresh authorisations in the coming year both for project and non-project assistance if the tempo of industrial growth is to be maintained and the inputs necessary to sustain the growth of agricultural output are to be secured.

117. Debt rescheduling and non-project aid have the advantage of being capable of faster utilisation than project aid. Further, the Indian economy has now developed to a stage at which a considerable part of the capital equipment required not only by industry but also by the power, transport, communication, agriculture and other sectors can be fabricated within the country with import only of components and raw materials. Thus imports under non-project assistance contribute to capital formation more effectively than project imports, in the sense that considerably more capital formation is possible with any given quantum of external assistance in non-project than in project form. This requirement was increasingly recognised by the Consortium countries, and the share of assistance provided in non-project form rose to as much as \$898 million in 1966-67. In the recent past, however, there has been some tendency to shift assistance towards projects or tie non-project assistance to capital machinery or project type imports. It is to be hoped that this trend will be reversed and freedom to utilise assistance in the manner that will best utilise domestic capacity will be restored. The implication for policy is that, while development of industry, particularly in the equipment field, has to be pressed forward vigorously, care has to be taken to avoid the setting up of projects which rely unduly on imports of components and raw materials.

118. In the field of food aid, assistance is needed in order to build up buffer stocks which will provide insurance against adverse weather conditions. As stated elsewhere in the Survey, the stocks in the hands of Government and the Food Corporation of India, including working stocks, will amount to about 5 million tonnes at the end of June, 1969. This will need to be built up to higher levels in the initial years of the Fourth Plan, after which it should be possible to dispense with assistance in the form of foodgrains.

VII—ASSESSMENT IN BRIEF

119. The gains recorded on the food front during 1967-68 were consolidated in 1968-69 as a result of another good crop. Output of foodgrains during 1967-68 had reached the record level of 95·6 million tonnes. It is likely that, in spite of adverse weather conditions in certain parts of the country, foodgrains output during 1968-69 will be at around the same level, provided the rabi crops are upto expectations. The improvement in foodgrains production has been most marked in the case of wheat. Productivity in rice cultivation has increased less, and demands greater attention in the future. The maintenance of a high level of agricultural production was the result of the vigorous pursuit of the new agricultural strategy. Fertilizer supplies were expanded, the supply of high yielding varieties of seeds was increased, multiple cropping was introduced in new areas, and minor irrigation was extended.

120. In 1967, foodgrains imports had been reduced from a high level of 10·4 million tonnes in 1966 to 8·7 million tonnes; a further reduction in imports to 5·7 million tonnes will have been achieved in 1968. Nevertheless, availability of foodgrains for consumption improved in 1968, in part because private stocks, depleted in 1966-67, must have been built up in 1967-68.

121. The consequence of the improved supply position with regard to foodgrains has been a decline in prices. Over the year, foodgrains prices registered a fall of as much as 9·5 per cent. Wheat and rice prices declined by 1·9 per cent and 0·5 per cent respectively while there were much sharper declines from the unduly high levels of the preceding year in the case of bajra (8·4 per cent), jowar (8·9 per cent) and pulses (30·3 per cent). Care was, however, taken to ensure that the prices secured by farmers did not fall to unremunerative levels. Procurement prices were by and large maintained in the kharif season of 1968-69 at the same or somewhat higher levels than in 1967-68. As all quantities offered were purchased, procurement prices were in effect support prices. In the case of wheat, very substantial quantities offered in a limited period in the northern States were purchased in spite of considerable problems with regard to transport and storage.

122. A start was made towards the building up of buffer stocks of foodgrains necessary to secure insurance against the vagaries of the monsoon. Aggregate stocks at the end of the year, including working stocks, may be of the order of 3·5 million tonnes although these should rise to about 5 million tonnes by the end of June, 1969. Crash programmes were launched in order to increase and improve storage facilities, particularly in the grain producing areas.

123. One of the causes of industrial "recession" had been shortage of supplies of agricultural raw materials. Between 1966-67 and 1967-68, there were marked increases in the output of oilseeds, raw jute and raw cotton, which had a favourable effect on industry. Sugarcane output was marginally higher. In the current year, the outlook for commercial crops is not as favourable as for foodgrains. Raw jute output is substantially lower, and prices have risen substantially, though large imports have been arranged. Inadequate rainfall and floods have affected the cotton and groundnut crops; requirements may, however, be met without larger recourse to imports by running down stocks. The prospects for sugarcane are on the other hand good.

124. In 1967-68 industrial output was at about the same level as in the previous year. A recovery has been witnessed in the current year and industrial output as a whole may be higher by 5 to 6 per cent. The recovery has taken place over a wide field. The response of farmers in terms of higher consumer spending to the good crop of 1967-68 had been delayed. During the current year, however, the improvement in the demand for textiles testifies to the larger rural spending. There have been large increases in the output of several other consumer goods; and the demand for various items of agricultural machinery, such as tractors, has also gone up significantly. The output of chemical industries, such as fertilizers, had not been affected by slackness of demand and rose further in response to the establishment of new capacity. In the field of metals, the output of aluminium increased, though that of steel continued to be slack. While the output of trucks and of some machinery items expanded, the demand for equipment generally did not pick up significantly. Trends in the capital market, however, suggest a revival of private investment, which should improve the demand for the output of the capital goods industries. A number of measures were taken to simplify and streamline the controls affecting industry.

125. The significant decline in the prices of foodgrains over the year was counter-balanced by a rise in prices of industrial raw materials (7.5 per cent) and manufactures (4.9 per cent). The higher prices of industrial raw materials were due mainly to an increase of as much as 67 per cent in those of raw jute, and similarly the increases in prices of jute goods accounted largely for the higher prices of manufactures. It is, however, noteworthy that the price index as a whole showed a slight decline in 1968 as compared to the previous year.

126. The satisfactory outcome with regard to the price situation was in part due to the measures taken in the field of public finance. Provision had been made in the Central and States' budgets for 1968-69 for maintaining Plan outlays, other than on food stocks, at about the same level as in the previous year; taking food stocks into account, an increase of 6 per cent had been provided for. Non-development expenditures were proposed to be held in check at the previous year's level, primarily through the withdrawal of food

subsidies. Substantial additional taxation of Rs. 113 crores at the Centre and Rs. 14 crores in the States was provided for. During the course of the year, it has become necessary for the Centre to provide substantial funds to the States to clear unauthorised over-drafts. There was an increase in the payment of dearness allowances as the twelve monthly average of the consumer price index crossed the level of 215. A significant subsidy has been provided to sales of rice. Revenues from import duties and receipts from external assistance, are likely to be lower than visualised, due to the level of imports being below expectations. Nevertheless, budgetary deficits are likely to be less than anticipated, in view of higher receipts from direct taxes and excise duties and sales taxes and lower outlays under certain heads.

127. The Reserve Bank of India continued a policy of liberalised credit to the priority sectors in the busy season of 1968-69. A number of selective controls on credit were also relaxed. The credit policy is such that genuine requirements of priority sectors—exports, agriculture and small industries—are fully met. Nevertheless, in view of the budgetary developments and the substantial increase in time deposits with the banks, the growth in money supply was only 6.5 per cent higher at the end of 1968 as compared to a year earlier. Having regard to the growth in national income of 3.9 per cent in 1967-68 and the likely rise of about 3 per cent in 1968-69, the expansion of money supply may be considered to be commensurate with the requirements of increased output at stable prices.

128. During 1967-68, there had been only a modest recovery of 3.7 per cent in exports. In the first half of 1968-69, the increase was as much as 17.5 per cent as compared to the corresponding period of the previous year. While the improvement for the year as a whole is likely to be markedly lower, and it needs to be kept in mind that in part the success achieved has been because there was in the past a decline from the high levels in 1964-65 and 1965-66, there can be little doubt that the trend is an encouraging one. It is particularly heartening that major increases in earnings should have been secured from the exports of metal and the newer manufactures. In a number of instances orders have been secured for the setting up of complete projects in open international competition. In part the success in this field may have been the result of slack demand conditions in the country; nevertheless, the ability of the newer Indian industries to compete effectively in foreign markets is beginning to be established. The budget for 1968-69 had provided tax incentives to marketing efforts abroad. Tea exports were better and measures were taken to strengthen the industry's competitive position. Cotton textile exports showed improvement, as did those of ores in response to the enlargement of port facilities. While the exports of jute carpet backing and specialities did well, sacking and hessian continued to face difficulties due to competition from other suppliers.

129. Imports declined by about 5 per cent in 1967-68 in relation to the previous year. The main reason was the cut in the foodgrains

imports in view of the improved domestic production. Imports of fertilizers and fertilizer raw materials on the other hand rose sharply. Imports, not only of complete equipment but also of equipment components, accessories and spares declined, as a result of slack investment, and greater recourse to indigenous supplies. The decline in food imports and the rise in imports of fertilizers and materials has continued in the first half of the current year, in relation to the corresponding period of 1967-68. Between these periods, there was also a further decline in imports of complete equipment. On the other hand imports of components, accessories and spares rose significantly as a result of higher levels of production and import substitution in the field of equipment. Imports of unclassified items declined over a wide front. Altogether it has been possible due to agricultural recovery and import substitution in industry to secure larger availability of agricultural products and rising industrial output, with lower imports.

130. The utilisation of assistance, other than in the form of foodgrains, improved sharply in 1967-68. Fresh authorisations of assistance other than under PL 480 on the other hand declined from \$1612 million in 1966-67 to \$658 million in 1967-68. As a result there was a sharp reduction in the quantum of assistance in the pipeline. In the current year the utilisation of assistance, other than in the form of foodgrains, is likely to show a marked reduction because of lower levels largely of project imports but also in part of imports of components and raw materials. This reduction in imports has been because of import substitution, particularly in the field of equipment, and relatively slack demand conditions in the economy. Commitments of assistance amount to \$777 million so far this year, of which \$642 million is in non-project form; and there is likely to be some increase in aid in the pipeline. In the coming year, however, a substantial improvement in the level of aid authorisations will be necessary to sustain the imports called for by higher levels of activity.

131. There has been a further increase in debt service charges (exclusive of re-purchases from the IMF) from \$319 million in 1966-67 to \$444 million in 1967-68 and to about \$517 million in 1968-69. As a result the improvement in net aid utilisation (in forms other than foodgrains) was only \$53 million between 1966-67 and 1967-68, and there is not likely to be any improvement in net aid utilisation in the current year. On the other hand \$78 million will be repaid to the IMF during the year*; and it is only as a result of the improvement on the trade front that there is likely to be no material variation in foreign exchange reserves over the year.

132. The outlook for the coming year will have to be assessed against the background of the progress achieved this year in the fields of agricultural production, export performance, industrial recovery and the restoration of a degree of stability in prices. These favourable trends will need to be sustained and indeed further strengthened.

*This includes repurchase of \$ 7.5 million to be made in March, 1969.

133. The consolidation and expansion of the improvement in agriculture is the prime requisite for pursuing the developmental objective with reasonable price stability. Increased agricultural output will significantly add to the internal supplies, as well as make a major contribution to a strengthening of the external payments position. Considering that even today imports have a significant proportion of agricultural products, the expansion in the output of foodgrains and fibres, as well as edible oils constitutes an essential element in the drive towards import substitution. A higher level of agricultural output will also improve export potential, as it will secure stability of the price level and augment the availability of raw materials needed for export purposes.

134. It is thus of the utmost importance that agricultural production programmes are pursued with vigour. Fertilizer supply will need to be expanded further, minor irrigation extended, power supplies provided to energise pumps and the output and distribution of new high yielding varieties of seeds further extended. Agricultural prices will need to be maintained at levels which secure adequate returns to the farmer, and credit services have to be widened alongside the application of new inputs. Considerable experimentation will be needed to provide finance effectively to meet the requirements of farmers, while at the same time attempts will have to be made to mobilise the available surplus with farmers so as to finance investment in areas such as power and irrigation as well as processing of agricultural produce.

135. The increased output of agriculture cannot be divorced from industrial expansion. An increase in industrial output especially in those industries servicing the needs of agriculture, such as fertilizer, agricultural equipment and the like are directly related to the agricultural expansion programmes. The role of agriculture-based expansion of rural incomes in stimulating industrial output is, however, wider than this. The agricultural sector constitutes a potentially large market for industrial consumer goods. The impact of agricultural output of this year and the last is already evident in the shape of a revival of demand for both producer goods needed on the farms as well as consumer goods needed by the rural population.

136. It is now possible to rely substantially on indigenous supplies of equipment for capacity expansion in many important directions. In the coming year increases in output will be needed in many of the equipment industries, with a view to expanding and modernising industrial, power and transport capacities. The steady expansion of power generation is required for promoting both agricultural and industrial output. There is need for expansion of capacity in consumer goods industries such as sugar and paper. The cotton textile industry requires substantial modernisation. The expansion of capacity visualised in fields such as aluminium, trucks and petro-chemicals will rely heavily on indigenous equipment. It is further of the utmost importance that adequate supplies of equipment should be provided for export markets; as already noted, a good beginning has been made with the exports of these newer manufactures.

137. The export effort will need to be sustained by adequate expansion of capacity in promising directions, preferred treatment with regard to import of equipment, components, raw materials and spare parts, provision of adequate credit facilities and so on. Indeed, priority will need to be given to the requirements of exports in the planning of capacity expansion not only with regard to the newer manufactures but also in other fields; thus the development of mining, rail and port complexes for expanding iron ore exports has high priority. Nor can the traditional export items be neglected. Tasks such as the adequate re-planting of tea, modernisation of the cotton textile and jute industries, and securing of adequate supplies of commercial crops at stable prices will require continuing attention. It is necessary that the competitive position of our traditional exports be maintained in world markets and that adequate cooperation be established with other supplying countries, in order to avoid unnecessary reductions in unit values.

138. The ratio of savings to national income, which has declined in the recent past, will need to be increased if the level of investment is to be commensurate with growth requirements. This in turn depends on the Central and State Governments being able to make an adequate contribution to investment in the economy from their resources. It will be necessary to do everything possible to hold non-development expenditures in check. The response of tax revenue to the growth of national income has been eroded by a number of factors, such as avoidance and evasion in certain areas, a fall in the *ad valorem* incidence of taxes fixed in specific terms, and possibly the shift of incomes towards classes consuming relatively less of commodities subject to indirect taxes. A broad-based effort to improve the budgetary position is called for through better tax collection, rationalisation of the tax system, enlargement of the tax base, improved profitability of public sector undertakings and mobilisation of loan finance on a larger scale than in the past.

139. The Fourth Five Year Plan, which is due to be published shortly, will indicate the directions of effort required in these areas in the coming years. It will be necessary to seize the opportunity provided by the restoration of stability to the economy and the improvement in exports to achieve higher rates of growth. This will call for sustained efforts in agriculture, increases in output and judicious establishment of new capacity in industry, strengthening of the fiscal system, the further building up of buffer stocks to provide protection against adverse weather conditions, and the vigorous pursuit of export promotion and import substitution.

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1.1: CONVENTIONAL* ESTIMATES OF NET NATIONAL PRODUCT (i.e. NATIONAL INCOME)

Years	Net national product (Rs. crores)		Per capita net national product (Rs.)		Index number of net national product (1948-49 = 100)		Index number of per capita net national product (1948-49 = 100)	
	At current prices		At current prices		At current prices		At current prices	
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(1)								
1948-49	8650	8650	249.6	249.6	100.0	100.0	100.0	100.0
1949-50	9010	8820	256.0	250.6	104.2	102.0	102.6	100.4
1950-51	9530	8850	266.5	247.5	110.2	102.3	106.8	99.2
1951-52	9970	9100	274.2	250.3	115.3	105.2	109.9	100.3
1952-53	9820	9460	265.4	255.7	113.5	109.4	106.3	102.4
1953-54	10480	10030	278.1	266.2	121.2	116.0	111.4	106.7
1954-55	9610	10280	250.3	267.8	111.1	118.8	100.3	107.3
1955-56	9980	10480	255.0	267.8	115.4	121.2	102.2	107.3
1956-57	11310	11000	283.3	275.6	130.8	127.2	113.5	110.4
1957-58	11390	10890	279.6	267.3	131.7	125.9	112.0	107.1
1958-59	12600	11650	303.0	280.1	145.7	134.7	121.4	112.2
1959-60	12950	11860	304.8	279.2	149.7	137.1	122.1	111.9
1960-61	14140	12730	325.7	293.2	163.5	147.2	130.5	117.5
1961-62	14800	13060	333.6	294.3	171.1	151.0	133.6	117.9
1962-63	15400	13310	339.4	293.4	178.0	153.9	136.0	117.5
1963-64	17210	13970	370.9	301.1	199.0	161.5	148.6	120.6
1964-65 (P)	20430	15000	430.4	316.0	236.2	173.4	172.4	126.6
1965-66 (P)	20340	14660	418.8	301.8	235.1	169.5	167.7	120.9
1966-67 (Q)	23120	14950	465.2	300.8	267.3	172.8	186.4	120.5
Annual Growth Rate during :								
First Plan	0.9	3.5	—0.9	1.6				
Second Plan	7.3	4.0**	5.1	1.8**				
Third Plan	7.5	2.9	5.2	0.6				

(P) Preliminary Estimates.

(Q) Quick Estimates.

*Estimates are described as "conventional" to distinguish them from the "revised" series. (Please see Table 1.2).

**The estimates of production of foodgrains from 1959-60 and those of sugarcane from 1960-61 are not strictly comparable with those for the earlier years. Adjusted for such statistical changes, the annual increase in total national income and in per capita income during the second plan period works out to 3.8 per cent and 1.7 per cent respectively.

1.2: GROSS NATIONAL PRODUCT AND NET NATIONAL PRODUCT (i.e., NATIONAL INCOME)

(Revised Series)*

Years	Gross National Product (Rs. crores)		Net National Product (Rs. crores)		Per Capita net National Product (Rs.)		Index Number of net National Product (1960-61 Base)		Index Number of per capita net National Product (1960-61 Base)	
	At Current prices.	At 1960-61 prices	At Current prices	At 1960-61 prices	At Current prices	At 1960-61 prices	At Current prices	At 1960-61 prices	At Current prices	At 1960-61 prices
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1960-61	.	14010	13274	13274	305.0	305.0	100.0	100.0	100.0	100.0
1961-62	.	14879	14069	13797	316.0	309.9	106.0	103.9	103.6	101.6
1962-63	.	15832	14950	14069	327.0	308.7	112.3	106.0	107.2	101.2
1963-64	.	18114	17122	14881	366.9	318.9	129.0	112.1	120.3	104.6
1964-65	.	21196	16919	15943	420.2	333.5	151.3	120.1	137.8	109.3
1965-66	.	21771	16037	15039	420.0	307.0	155.0	113.3	137.7	100.7
1966-67	.	24999	16247	15206	471.2	302.9	178.2	114.6	154.5	99.3
1967-68	.	29342	17632	16559	542.3	321.9	210.2	124.7	177.8	105.5
<i>Annual Growth Rate During</i>										
Third Plan	.	9.2	2.8	9.1	2.5	6.6	0.1			

*Figures are provisional.

1.3 : CONVENTIONAL† ESTIMATES OF NET NATIONAL PRODUCT BY INDUSTRY OF ORIGIN—PERCENTAGE DISTRIBUTION

(At 1948-49 Prices)

Industry Groups	1948-49	1950-51	1955-56	1960-61	1965-66*
(1)	(2)	(3)	(4)	(5)	(6)
1. Agriculture, animal husbandry and ancillary activities@	49.1	49.0	47.9	46.4	39.0
2. Mining, manufacturing and small enterprises	17.1	16.7	16.8	16.6	18.2
3. Commerce, transport and communications	18.5	18.8	18.8	19.3	20.3
4. Other services@@	15.5	15.7	16.5	18.1	23.3
5. Net domestic product at factor cost	100.2	100.2	100.0	100.4	100.8
6. Net factor income from abroad	(-)0.2	(-)0.2	0.0	(-)0.4	(-)0.8
7. Net national product at factor cost	100.0	100.0	100.0	100.0	100.0

†Estimates are described as "conventional" to distinguish them from the "revised" series. Please see Table 1.2.

*Preliminary estimate.

@Including forestry and fishery.

@@Comprising professions and liberal arts, government services (administration), domestic service and house property.

1.4 : ESTIMATES OF NET NATIONAL PRODUCT BY INDUSTRY OF ORIGIN—PERCENTAGE DISTRIBUTION

(At 1960-61 prices)

(Revised Series)*

Industry Groups	1960-61	1965-66	1966-67	1967-68
(1)	(2)	(3)	(4)	(5)
1. Agriculture, Forestry, Fishing etc.	51.1	42.6	42.1	45.6
2. Mining, Industry, Construction & Electricity etc.	20.2	24.2	24.1	22.4
3. Transport & Communications, Trade, Storage etc.	14.2	16.5	16.6	15.8
4. Banking & Insurance, Real Estate & Ownership of dwellings, Public Admn. & Defence, Other services etc.	15.0	17.7	18.3	17.2
5. Net domestic product at factor cost	100.5	101.0	101.1	101.0
6. Net factor income from abroad	(-)0.5	(-)1.0	(-)1.1	(-)1.0
7. Net national product at factor cost	100.0	100.0	100.0	100.0

*Figures are Provisional.

1.5 : AGRICULTURAL PRODUCTION : AREA AND YIELD— INDEX NUMBERS

[Base : 1949-50 to 1951-52 (average)=100]

Year†	Index Numbers of		
	Area*	Production*	Yield per hectare
(1)	(2)	(3)	(4)
1950-51	100.0	100.0	100.0
1951-52	101.8	100.7	98.9
1952-53	105.6	107.1	101.4
1953-54	109.1	113.7	104.2
1954-55	112.2	118.7	105.8
1955-56	113.8	122.2	107.4
1956-57	114.6	121.8	106.3
1957-58	116.1	127.5	109.8
1958-59	117.7	129.6	110.1
1959-60	119.7	138.5	115.7
1960-61	121.2	142.4	117.5
1961-62	122.4	145.5	118.9
1962-63	123.4	145.9	118.2
1963-64	123.7	150.6	121.7
1964-65	122.4	148.2	121.1
1965-66	121.8	144.4	118.6
1966-67	122.8	145.5	118.5

†The agricultural year is July-June.

* Three-year moving averages.

1-6: INDEX NUMBERS OF AGRICULTURAL PRODUCTION

(Agricultural year 1949-50 = 100)

Groups/Commodities	Weights	1950-51	1955-56	1960-61	1961-62	1962-63	1963-64	1964-65 ^(a)	1965-66 ^(a)	1966-67 ^(a)	1967-68 [†]
A. Foodgrains	66.9	90.5	115.3	137.1	140.3	133.6	136.5	150.2	120.9	123.8	159.9
(a) Cereals	58.3	90.3	114.9	138.3	143.1	135.9	141.4	153.7	124.2	129.5	165.1
Rice	35.3	87.0	114.2	137.7	142.4	132.6	147.0	155.1	121.8	120.9	150.4
Wheat	8.5	101.1	131.3	162.8	178.8	159.6	145.9	182.1	154.5	168.8	245.5
Inferior cereals	14.5	89.8	107.0	125.4	123.9	130.0	125.1	133.6	112.1	127.3	153.6
(b) Pulses	8.6	91.7	118.4	129.0	121.5	117.9	102.9	126.3	98.4	85.3	125.0
of which :											
Gram	3.7	98.0	138.9	160.4	148.5	137.6	115.5	148.5	108.0	93.0	155.1
B. Non-Foodgrains	33.1	105.9	119.9	152.6	153.9	151.6	156.5	175.4	156.4	148.5	165.7
(a) Oilseeds	9.9	98.5	108.6	134.0	140.0	142.6	134.5	164.9	125.4	125.7	159.6
of which :											
Groundnuts	5.7	101.4	112.4	142.1	147.5	149.4	156.3	178.3	128.1	133.6	176.6
Rapeseed and mustard	2.0	94.6	105.8	165.7	165.6	160.3	112.5	180.5	157.0	151.1	182.4
(b) Fibres	4.5	108.6	149.7	176.0	157.5	193.0	206.0	207.9	168.8	181.6	203.9
Cotton	2.8	110.7	153.9	202.1	174.9	199.8	208.6	217.6	183.0	191.1	213.1
Jute	1.4	106.3	135.8	125.3	192.7	165.0	184.3	182.4	135.5	162.4	193.1
Mesta	0.3	100.0	174.7	168.8	280.8	260.7	283.7	236.8	192.3	182.6	169.0
(c) Plantation Crops	3.6	104.0	113.2	129.2	140.1	138.6	140.4	151.4	151.2	158.0	155.1
Tea	3.3	103.8	107.2	120.9	133.4	130.5	130.4	140.2	137.9	141.5	144.0*
Coffee	0.2	112.3	196.1	246.4	230.4	237.7	255.5	269.0*	281.6*	345.1*	251.3*
Rubber	0.1	93.8	146.1	167.0	180.0	209.4	239.0	286.0	328.5*	328.5*	328.5*
(d) Miscellaneous	15.1	110.3	120.1	163.4	156.3	148.2	160.0	178.4	174.3	151.4	160.8
of which :											
Sugarcane	8.7	113.7	119.8	183.9	173.5	152.5	172.6	200.2	201.3	158.1	165.7
Tobacco	1.9	97.3	112.9	114.3	126.2	129.3	136.4	131.0	112.8	133.9	130.3
C. All Commodities	100.0	95.6	116.8	142.2	144.8	139.6	143.1	158.5	132.7	132.0	161.8

@Partially Revised Estimates.

†Final Estimates.

*Based on Provisional Estimates.

AGRICULTURAL PRODUCTION*

	Unit	1949-50	1950-51	1955-56	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68
A. Foodgrains	Million Tonnes	60.65	54.92	69.22	82.02	82.71	80.15	80.64	89.00	72.03	74.23	95.59
(a) Cereals	"	50.63	45.74	57.53	69.31	70.95	68.62	70.57	76.56	62.23	65.88	83.35
Rice	"	25.11	22.07	28.67	34.57	35.66	33.22	37.00	39.03	30.66	30.44	37.86
Wheat	"	6.76	6.83	8.87	11.00	12.07	10.78	9.85	12.29	10.42	11.39	16.57
Jowar	"	6.96	6.25	6.73	9.81	8.03	9.75	9.20	9.75	7.53	9.22	10.11
Bajra	"	3.19	2.67	3.46	3.28	3.65	3.96	3.88	4.45	3.66	4.47	5.13
Other cereals	"	8.61	7.92	9.80	10.65	11.54	10.91	10.64	11.04	9.96	10.36	13.68
(b) Pulses	"	10.02	9.18	11.69	12.70	11.76	11.53	10.07	12.44	9.80	8.35	12.24
of which :												
Gram	"	3.90	3.82	5.41	6.25	5.79	5.36	4.50	5.79	4.21	3.62	6.04
B. Non-Foodgrains												
(a) Oilseeds†	"	5.16	5.09	5.63	6.98	7.28	7.39	7.13	8.46	6.35	6.43	8.24
of which :												
Groundnuts	"	3.39	3.43	3.81	4.81	4.99	5.06	5.30	5.89	4.23	4.41	5.83
Rapeseed and mustard	"	0.81	0.77	0.86	1.35	1.35	1.30	0.92	1.47	1.28	1.23	1.48
(b) Sugarcane (in terms of gur)††	"	6.09	6.92	7.29	11.20	10.56	9.29	10.52	12.03	12.10	9.50	9.96
(c) Cotton (lint)	Million Bales @	2.62	2.90	4.03	5.29	4.58	5.23	5.43	5.66	4.76	4.97	5.56
(d) Jute	"	3.30	3.51	4.48	4.13	6.36	5.44	6.08	6.02	4.47	5.36	6.37
(e) Mesta	"	0.67	0.67	1.17	1.13	1.88	1.74	1.90	1.58	1.29	1.22	1.13

*Figures for 1949-50 to 1959-60 are adjusted with 1960-61 Fully Revised Estimate as base. Figures upto 1963-64 are Fully Revised Estimates, those for 1964-65 to 1966-67 are Partially Revised Estimates and those for 1967-68 are Final Estimates of Production.

†Include groundnuts, rapeseed and mustard, sesamum, linseed and castorseed.

††Adjusted on the basis of 1961-62 (Fully Revised) data.

@Bale = 180 Kgs.

1.8 STATEWISE ESTIMATES OF PRODUCTION OF FOODGRAINS, 1964-65 to 1967-68

State	Year	Rice	Jowar	Bajra	Maize	Wheat	Total incl. other cereals	Total Pulses	Total Food- grains
1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Andhra Pradesh	1964-65(P)	.	1206.8	281.4	252.6	3.9	7300.9	332.7	7633.6
	1965-66(P)	.	1015.8	241.3	182.9	2.1	5979.8	239.5	6219.3
	1966-67(P)	.	1553.6	370.2	172.8	2.8	7461.6	256.0	7717.6
	1967-68(F)	.	1340.5	284.0	307.0	2.8	7224.0	277.1	7501.1
Assam	1964-65(P)	.	..	..	10.9	3.5	1929.2	36.7	1965.9
	1965-66(P)	.	..	..	12.3	3.4	1866.1	36.7	1902.8
	1966-67(P)	.	..	..	12.7	3.5	1775.7	35.4	1811.1
	1967-68(F)	.	..	..	13.1	4.3	2019.2	36.9	2056.1
Bihar	1964-65(P)	.	6.1	14.3	584.4	417.8	6293.3	1238.8	7532.1
	1965-66(P)	.	12.0	6.4	757.2	477.3	5902.1	1245.4	7147.5
	1966-67(P)	.	4.4	5.4	948.7	365.0	3246.9	885.9	4132.8
	1967-68(F)	.	5.1	5.9	1129.8	882.1	7365.3	1247.1	8612.4
Gujarat	1964-65(P)	.	427.4	787.8	301.9	424.9	2586.1	229.5	2815.6
	1965-66(P)	.	336.7	699.2	210.0	579.3	2152.5	152.8	2305.3
	1966-67(P)	.	324.0	756.0	145.2	456.9	2068.0	117.9	2185.9
	1967-68(F)	.	422.6	1182.7	280.5	700.4	3214.8	152.8	3367.6
Haryana	1964-65(P)	.	(a)	(a)	(a)	(a)	(a)	(a)	(a)
	1965-66(P)	.	36.0	206.0	102.0	869.0	1571.0	406.4	1977.4
	1966-67(P)	.	49.0	373.0	86.0	1054.0	2002.1	570.4	2572.5
	1967-68(F)	.	58.0	457.0	127.7	1466.4	2679.2	1314.1	3993.3
Jammu & Kashmir	1964-65(P)	.	0.2	15.3	214.5	81.7	542.2	23.4	565.6
	1965-66(P)	.	0.1	3.7	159.2	111.2	456.1	23.4	479.5
	1966-67(P)	.	0.2	4.3	221.8	112.2	617.7	34.6	652.3
	1967-68(F)	.	0.1	9.2	190.8	112.4	615.1	36.2	651.3

Kerala	.	.	.	.	.	.	1121.4	0.6	..	..	..	1132.6	17.1	1149.7
	.	.	.	.	.	.	997.5	0.5	..	..	..	1008.2	16.9	1025.1
	.	.	.	.	.	.	1084.1	0.5	..	..	..	1094.8	17.2	1112.0
	.	.	.	.	.	.	1105.3	0.5	..	..	..	1115.9	16.7	1132.6
Madhya Pradesh	.	.	.	.	.	.	3485.1	1728.3	142.3	551.8	1981.3	8378.3	1830.6	10208.9
	.	.	.	.	.	.	1700.6	1313.9	166.8	479.2	1327.3	5308.4	1498.9	6807.3
	.	.	.	.	.	.	1910.3	1380.9	192.1	454.2	1031.4	5234.0	1076.7	6310.7
	.	.	.	.	.	.	3301.0	1978.9	137.4	657.9	1868.6	8499.3	1662.8	10162.1
Maharashtra	.	.	.	.	.	.	1477.3	3301.4	475.4	21.8	413.4	5948.4	889.6	6838.0
	.	.	.	.	.	.	893.4	2328.6	330.3	22.0	304.5	4050.1	671.8	4721.9
	.	.	.	.	.	.	1065.0	3208.1	404.3	47.0	366.6	5308.3	741.7	6050.0
	.	.	.	.	.	.	1470.5	3437.3	506.7	52.7	366.7	6114.4	836.9	6951.3
Mysore	.	.	.	.	.	.	1655.9	1479.0	113.3	11.6	101.4	4224.7	306.1	4530.8
	.	.	.	.	.	.	1159.7	1233.0	91.0	7.7	50.0	2862.9	270.6	3133.5
	.	.	.	.	.	.	1636.2	1428.4	109.1	10.5	47.0	3851.9	320.7	4172.6
	.	.	.	.	.	.	1849.0	1411.7	117.0	9.0	79.2	4162.1	343.6	4595.7
Nagaland	.	.	.	.	.	.	42.8	..	..	..	..	42.8	..	42.8
	.	.	.	.	.	.	43.2	..	..	..	..	43.2	..	43.2
	.	.	.	.	.	.	50.0	..	..	..	..	50.0	..	50.0
	.	.	.	.	.	.	49.9	..	..	..	..	49.9	..	49.9
Orissa	.	.	.	.	.	.	4421.4	2.0	1.6	17.7	7.2	4510.8	435.6	4946.4
	.	.	.	.	.	.	3285.4	1.7	1.7	32.9	10.3	3415.4	321.1	3736.5
	.	.	.	.	.	.	3691.6	4.9	2.4	49.4	14.2	3920.8	434.1	4354.9
	.	.	.	.	.	.	3628.1	5.2	1.9	50.4	12.4	3930.0	396.9	4326.9
Punjab	.	.	.	.	.	.	673.0(b)	52.0(b)	348.0(b)	788.0(b)	3454.4(b)	5506.6(b)	1717.0(b)	7223.6(b)
	.	.	.	.	.	.	296.0	1.0	98.0	681.0	1916.0	3061.3	391.7	3453.0
	.	.	.	.	.	.	338.0	2.6	150.0	614.0	2493.9	3686.7	530.1	4216.8
	.	.	.	.	.	.	391.0	2.6	197.0	773.3	3400.0	4895.9	549.4	5445.3
Rajasthan	.	.	.	.	.	.	98.4	410.4	1271.1	779.9	1103.1	4168.4	1139.1	5307.5
	.	.	.	.	.	.	23.5	291.9	939.7	641.7	784.7	3148.2	691.0	3839.2
	.	.	.	.	.	.	21.6	345.8	1228.6	613.7	872.2	3570.1	780.5	4350.6
	.	.	.	.	.	.	94.6	399.1	1445.5	1024.7	1305.1	5077.9	1530.5	6608.4

(contd.)

1.8 STATEWISE ESTIMATES OF PRODUCTION OF FOODGRAINS, 1964-65 TO 1967-68—(concl.d.)

State	Year	(Thousand Tonnes)									Total Food-grains
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		(10)
Tamil Nadu	1964-65(P)	.	.	4048.3	537.6	306.9	3.5	0.4	5640.8	98.0	5738.8
	1965-66(P)	.	.	3709.4	500.5	274.2	3.2	0.5	5157.0	93.8	5250.8
	1966-67(P)	.	.	4076.4	558.8	342.2	3.2	0.5	5693.4	96.5	5789.9
	1967-68(F)	.	.	4291.3	557.8	295.5	3.1	0.5	5834.9	95.9	5930.8
Uttar Pradesh	1964-65(P)	.	.	3323.4	594.6	694.3	888.2	4117.9	11573.6	3715.0	15288.6
	1965-66(P)	.	.	2342.0	450.6	586.4	1121.0	3754.7	10033.9	3277.5	13311.4
	1966-67(P)	.	.	2013.1	358.1	518.6	1076.1	4230.3	9867.8	2005.9	11873.7
	1967-68(F)	.	.	3200.0	484.5	485.2	1167.2	5952.7	13584.8	3225.7	16810.5
West Bengal	1964-65(P)	.	.	5760.7	1.3	0.1	38.8	27.9	5853.8	405.8	6259.6
	1965-66(P)	.	.	4893.1	0.9	0.2	42.5	34.0	5010.0	438.4	5448.4
	1966-67(P)	.	.	4824.3	1.2	0.1	39.6	45.5	4956.6	420.6	5377.2
	1967-68(F)	.	.	5197.6	1.3	0.2	45.8	80.0	5380.3	475.9	5856.2
All India	1964-65(P)	.	.	39034.2	9749.0	4453.9	4658.1	12290.3	76558.2	12437.4	88995.6
	1965-66(P)	.	.	30655.1	7526.9	3655.0	4760.0	10424.4	62230.1	9800.0	72030.1
	1966-67(P)	.	.	30437.9	9223.8	4468.3	4893.6	11392.8	65883.9	8347.1	74231.0
	1967-68(F)	.	.	37858.1	10107.2	5131.9	6275.1	16567.4	83351.5	12236.0	95587.5

(P) Partially Revised Estimates.

(F) Final Estimates.

(a) Included under Punjab.

(b) Relates to the set-up before 1-11-1966.

..Nil or Negligible.

1.9 : NET AVAILABILITY OF CEREALS AND PULSES

Year	Per caput net availability per day												
	Cereals				Pulses								
	Popula- tion (mil- lions)	Produc- tion (mil- lion tonnes)	Net imports (mil- lion tonnes)	Withdra- vals (-) from Govt. stocks (million tonnes)	Net availa- bility (mil- lion tonnes)	Cereals		Pulses					
						Total	Pulses	Total	Pulses	(In grams)			
										(In ounces)	Total	Cereals	Pulses	Total
I	2	3	4	5	6	7	8	9	10	11	12	13	
1951	.	363.4	40.02	4.80	(+0.59	44.23	8.03	11.76	2.13	13.89	333.5	60.5	394.0
1952	.	369.6	40.60	3.93	(+0.62	43.91	7.97	11.45	2.08	13.53	324.6	58.9	383.5
1953	.	376.1	45.37	2.04	(-0.48	47.89	8.59	12.31	2.20	14.51	348.9	62.5	411.4
1954	.	382.9	53.44	0.84	(+0.20	54.08	9.72	13.65	2.45	16.10	387.0	69.5	456.5
1955	.	390.2	51.60	0.71	(-0.75	53.06	10.18	13.14	2.52	15.66	372.6	71.5	441.1
1956	.	397.8	50.34	1.44	(-0.60	52.38	10.23	12.69	2.48	15.17	359.8	70.3	430.1
1957	.	405.8	52.68	3.65	(+0.86	55.47	10.61	13.21	2.53	15.74	374.5	71.6	446.1
1958	.	414.3	49.36	3.22	(-0.27	52.85	8.84	12.33	2.06	14.39	349.5	58.5	408.0
1959	.	423.3	57.30	3.87	(+0.49	60.68	11.55	13.85	2.64	16.49	392.7	74.8	467.5
1960	.	432.7	56.77	5.14	(+1.40	60.51	10.34	13.48	2.30	15.78	382.1	65.3	447.4
1961	.	442.7	60.65	3.50	(-0.17	64.32	11.11	14.04	2.42	16.46	398.1	68.7	466.8
1962	.	453.4	62.08	3.64	(-0.36	66.08	10.29	14.08	2.19	16.27	399.3	62.2	461.5
1963	.	464.3	60.04	4.56	(-0.02	64.62	10.09	13.45	2.10	15.55	381.3	59.5	440.8
1964	.	475.5	61.75	6.27	(-1.24	69.26	8.81	14.04	1.78	15.82	398.0	50.6	448.6
1965*	.	487.0	66.99	7.46	(+1.06	73.39	10.88	14.56	2.16	16.72	412.9	61.2	474.1
1966*	.	498.9	54.45	10.36	(+0.14	64.67	8.57	12.53	1.66	14.19	355.1	47.1	402.2
1967*	.	511.3	57.65	8.67	(-0.24	66.56	7.31	12.58	1.38	13.96	356.7	39.2	395.9
1968*	.	524.0	72.93	5.65	(+1.71	76.87	10.71	14.13	1.97	16.10	400.8	55.8	456.6

*Provisional.

- NOTES:—1. Population figures relate to mid-year revised estimates. These estimates have been prepared by the Office of the Registrar General of India.
2. Production figures relate to agricultural year July-June; 1951 figures correspond to the Production of 1950-51, and so on for subsequent years. These estimates up to the year 1959-60 are adjusted with 1960-61 Revised Production index as the base. Figures upto 1963-64 are Fully Revised Estimates, those for 1964-65 to 1966-67 are Partially Revised Estimates and those for 1967-68 are Final Estimates of Production.
3. Net production has been taken as 87.5% of the gross production, 12.5% being provided for feed, seed requirements and wastage.
4. Figures in respect of change in stocks with traders and producers over a year are not known. The estimates of net availability given above should not therefore be taken to be strictly equivalent to consumption.
5. Net Availability = Net Production + Net Imports + Change in Government Stocks.

1.10 : NET AVAILABILITY, PROCUREMENT AND PUBLIC DISTRIBUTION OF FOODGRAINS

Year	Million Tonnes				Percentages			
	Net Pro- duction of Foodgrains	Imports	Net Avail- ability of Foodgrains@	Procure- ment	Public Dis- tribution	Col. 3 as % of Col. 4	Col. 5 as % of Col. 2	Col. 6 as % of Col. 4
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1951 .	.	.	.	.	.	.	.	.
1952 .	48.05	4.80	52.26	3.83	7.99	9.2	8.0	15.3
1953 .	48.57	3.93	51.88	3.48	6.80	7.6	7.2	13.1
1954 .	53.96	2.04	56.48	2.09	4.60	3.6	3.9	8.1
1954 .	63.16	0.84	63.80	1.43	2.15	1.3	2.3	3.4
1955 .	61.78	0.71	63.24	0.13*	1.64	1.1	0.2	2.6
1956 .	60.57	1.44	62.61	0.04	2.08	2.3	0.1	3.3
1957 .	63.29	3.65	66.08	0.30	3.05	5.5	0.5	4.6
1958 .	58.20	3.22	61.69	0.53	3.98	5.2	0.9	6.5
1959 .	68.85	3.87	72.23	1.81	5.16	5.4	2.6	7.1
1960 .	67.11	5.14	70.85	1.28	4.94	7.3	1.9	7.0
1961 .	71.76	3.50	75.43	0.54	3.98	4.6	0.8	5.3
1962 .	72.37	3.64	76.37	0.48	4.37	4.8	0.7	5.7
1963 .	70.13	4.56	74.71	0.75	5.18	6.1	1.1	6.9
1964 .	70.56	6.27	78.07	1.43	8.67	8.0	2.0	11.1
1965 .	77.87**	7.46	84.27	4.03	10.08	8.9	5.2	12.0
1966 .	63.02**	10.36	73.24	4.01	14.08	14.1	6.4	19.2
1967**	64.96	8.67	73.87	4.47	13.16	11.7	6.9	17.8
1968**	83.64	5.65	87.58	6.60	10.50	6.5	7.9	12.0

* Includes purchases under Price Support Scheme.

** Provisional.

@ Net Availability = Net Production + Net Imports + Change in Government stocks.

1.11 PER CAPUT AVAILABILITY OF CERTAIN IMPORTANT ARTICLES OF CONSUMPTION

Year	Edible Oils@ (Kgs.)	Vanaspati (Kgs.)	Sugar Nov.-Oct. (Kgs.)	Cotton cloth@@ (Metres)	Man-made fibre fabrics@@ (Metres)	Tea (Grams)	Coffee (Grams)	Electricity (Domestic use) (KWH)
1950-51	.	.	2.7	N.A.	..	N.A.	51	1.6**
1955-56	.	.	2.5	0.7	5.0	14.4	68	2.2††
1960-61	.	.	3.2	0.8	4.9	13.8	82	3.5
1961-62	.	.	3.4	0.8	5.8	14.7	59	3.8
1962-63	.	.	3.2	0.8	5.5	14.3	74	4.2
1963-64	.	.	2.8	0.8	5.0	14.6	77	4.4
1964-65	.	.	3.7	0.8	5.2	15.1	79	4.7
1965-66	.	.	2.6	0.8	5.8	14.6	71	4.8
1966-67	.	.	2.6	0.7	5.3	13.8	71@@@	5.3
1967-68†	.	.	3.2	0.8	4.3†	13.4	71@@@	5.7

@ Include groundnut oil, rapeseed & mustard oil, coconut oil and sesamum oil but excludes oil used for manufacture of vanaspati. (In the absence of production figure of coconuts for the year 1967-68, the figure for 1966-67 is repeated while working out availability of coconut oil for 1967-68).

@@ Relate to Calendar years; figures for 1955 are shown against 1955-56 and so on.

** Relates to 1951.

† Provisional.

‡ From 1967-68 the sugar season is Oct.-Sept.

@@@ Figures are for Calendar years 1966 and 1967.

†† Relates to 1955.

1.12: PRODUCTION, IMPORTS AND TOTAL AVAILABILITY OF FERTILIZERS

(In '000 tonnes of nutrients)

(1)	Nitrogenous Fertilizers (N)		Phosphatic Fertilizers (P ₂ O ₅) (including bone meal)		Potassic Fertilizers (K ₂ O)	
	Imports		Imports †		Imports **	
	Production	Total Availability	Production	Total Availability	Production	Total Availability
	(2)	(3)	(4)	(5)	(6)	(7)
	(1)	(2)	(3)	(4)	(5)	(6)
1951-52	11*	29	40	16*	..	16
1952-53	46*	43	89	14*	..	14
1953-54	67*	17	84	14*	1*	15
1954-55	71*	21	92	23*	..	23
1955-56	82*	54	136	19*	..	19
1956-57	82*	56	138	18*	..	18
1957-58	80	111	191	32	..	32
1958-59	82	99	181	36	2	38
1959-60	84	104	248	48	9	57
1960-61	101	119	220	61	..	61
1961-62	152	142	294	72	..	72
1962-63	183	242	435	88	10	98
1963-64	222	226	448	126	12	138
1964-65	237	214	451	133	12	145
1965-66	232	309	541	123	12	135
1966-67	308	630	938	151	150	301
1967-68@@	367	868	1235	200	349	549

* Figures relate to calendar years.

** There is no local production.

† Imports made for Central Fertilizer Pool.

@ Provisional.

‡ July-June basis (as imports were made by the S.T.C.).

7.13 : PERCENTAGE CHANGES IN INDEX NUMBERS OF INDUSTRIAL PRODUCTION
(Base 1960 = 100)

		Weight	1961	1962	1963	1964	1965	1966	1967	1968* (Jan-Sept.)
I		2	3	4	5	6	7	8	9	10
I. Mining and quarrying										
of which :		9.72	+5.4	+9.3	+6.9	-3.1	+10.3	+4.1	-0.9	+4.9
Coal	.	6.71	+6.6	+9.8	+8.7	-4.4	+8.6	+1.5	+0.9	+2.5
Iron ore	.	0.59	+14.9	+9.0	+11.7	-0.1	+13.3	+17.1	-4.4	+7.0
II. Manufacturing		84.91	+9.1	+9.5	+8.0	+9.5	+6.6	+0.1	-2.6	+4.7
(a) Consumer Goods.		32.78	+7.1	+2.0	+1.6	+6.8	+4.2	+4.1	-5.4	+5.9
of which :										
Food	.	12.09	+8.6	+1.5	-1.5	+8.9	+3.9	+3.5	-12.2	-3.0
Tea	.	5.12	+11.6	-3.0	-0.1	+8.9	-1.9	+2.5	+1.8	-10.4
Vanaspatti	.	1.09	+0.4	+9.0	+3.8	-6.5	+18.8	-15.8	+9.6	+21.3
Sugar	.	3.58	+10.0	-1.7	-17.5	+13.7	+23.0	+4.1	-35.3	+3.7
Cotton cloth	.	9.39	+0.3	-2.1	-2.4	+5.3	-0.9	-7.1	-3.0	+11.2
Matches	.	0.50	-2.9	-6.0	-5.9	+1.4	+27.3	-14.5	-6.7	+2.1
Radio receivers	.	0.61	+21.6	+5.2	+21.8	+13.1	+23.4	+22.2	+19.8	+55.7
Motor cycles and scooters	.	0.11	+44.8	-5.1	+7.4	+36.5	+23.8	+8.9	+18.4	+23.9
Bicycles	.	0.51	-0.1	+6.4	+4.4	+18.4	+11.6	+8.5	+2.0	+5.2
(b) Intermediate Goods		35.23	+8.6	+10.8	+12.4	+5.8	+5.4	-0.8	+1.7	+6.3
of which :										
Cotton yarn	.	11.78	+8.4	+0.8	+3.6	+8.0	-1.1	-3.0	-0.5	+8.6
Jute manufactures	.	3.97	-10.9	+24.4	-7.2	-3.1	+4.5	-16.5	+3.7	-3.6

(contd.)

1.13 : PERCENTAGE CHANGES IN INDEX NUMBERS OF INDUSTRIAL PRODUCTION—(contd.)
(Base 1960 = 100)

	Weight	1961	1962	1963	1964	1965	1966	1967	1968* (Jan.-Sept.)
I	2	3	4	5	6	7	8	9	10
Tyres & tubes	1.48	+14.2	+9.0	+14.1	+9.3	+11.8	+0.3	+6.5	+14.8
Basic industrial chemicals	2.20	+13.9	+13.4	+9.1	+18.8	+8.4	+6.8	+6.8	+7.5
Fertilizers	0.46	+38.9	+20.8	+33.4	+7.9	+4.5	+7.1	+26.5	+25.3
Petroleum refinery products	1.34	+6.0	+8.1	+16.1	+10.2	+6.9	+24.9	+19.6	+11.0
Electric cables & wires	0.68	+4.2	+26.5	+14.6	+13.7	+15.4	-1.0	+5.3	-7.9
Cement	1.17	+5.1	+4.2	+8.9	+3.5	+9.2	+4.6	+2.1	+3.5
Basic metals	7.38	+18.7	+20.5	+20.1	+3.2	+3.2	+3.6	-4.4	+5.9
Paper and Paper Products	1.61	+5.8	+3.4	+19.0	+5.5	+7.1	8.8	+4.4	+11.4
(c) Capital Goods	10.93	+17.1	+28.4	+10.3	+20.7	+8.9	-4.6	-11.7	+3.9
of which :									
Diesel engines (Vehicular)	0.10	-7.2	-14.8	+8.1	-8.9	+5.4	-19.0	-53.2	-29.4
Diesel engines (Stationary)	0.14	+5.4	-4.1	+30.3	+26.3	+25.6	+21.5	+7.4	-1.9
Industrial machinery	0.93	+11.0	+15.0	+15.0	+7.5	-2.9	-23.7	+7.4	+17.6
Power transformers	0.38	+40.2	+28.4	+13.9	+26.0	+30.3	+11.1	+9.6	-13.2
Electric motors	0.27	+19.3	+19.0	+20.4	+10.6	+29.5	+16.7	+4.4	-8.8
Railroad equipment	3.50	+26.2	+46.0	+10.1	+19.8	+5.1	-29.4	-21.0	-4.1
Automobiles	2.51	+4.2	+4.8	-9.7	+27.4	+8.4	0.0	-3.2	+12.2
III. Electricity generated	5.37	+16.3	+12.4	+15.5	+15.0	+10.0	+8.9	+11.0	+16.0
IV. All industries	100.00	+9.1	+9.7	+8.3	+8.6	+7.2	+1.0	-0.5	+5.6

*Provisional.

NOTE:—The weight shown against each of the categories Consumer goods, Intermediate goods and Capital goods covers about 90% of the total weight which could be attributed to that category. The three categories together cover more than 90 per cent of the weight of the Manufacture group.

I-14: PRODUCTION OF SELECTED INDUSTRIES

Unit	April-Sept.															1968-69*	
	1950-1955- 51 56	1955-1960- 61 66	1960-1965- 66 67	1965-1966- 67 68	1966-1967- 68 69*	1st Qr.	2nd Qr.	3rd Qr.	4th* Qr.	1st Qr.	2nd Qr.	3rd Qr.	4th* Qr.	1st Qr.	2nd Qr.		
I	2	3	4	5	6	7	8	9	10	11	12	13	14	15			
I. MINING :																	
1. Coal . . . Million tonnes	32.8	39.0	55.5	70.3	70.9	71.9	35.4	35.9	18.4	17.0	17.3	19.2	18.1	17.8			
2. Iron Ore x . . Million tonnes	3.0	4.3	11.0	18.1	19.3	19.0	9.4	10.2	4.8	4.6	4.6	5.0	5.1	5.1			
II. METALLURGICAL INDUSTRIES :																	
3. Pig-iron . . . Million tonnes	1.69	1.95	4.31	7.09	7.01	6.91	3.39	3.41	1.69	1.70	1.70	1.82	1.70	1.71			
4. Steel ingots . . Million tonnes	1.47	1.73	3.42	6.53	6.61	6.31	3.13	3.07	1.56	1.57	1.55	1.63	1.50	1.57			
5. Finished steel. . Million tonnes	1.04	1.30	2.39	4.51	4.43	4.00	1.96	2.11	0.96	1.00	1.00	1.04	1.05	1.06			
6. Steel castings . . '000 tonnes	...	15	34	57	53	51	27	23	14	13	12	12	11	12			
7. Aluminium (virgin metal) . . . '000 tonnes	4.0	7.4	18.3	62.1	72.9	100.4	45.5	58.9	22.8	22.7	26.9	28.0	28.9	30.0			
8. Copper (virgin metal) . . . '000 tonnes	7.1	7.6	8.5	9.4	9.1	9.3	4.6	4.5	2.3	2.3	2.5	2.2	2.0	2.5			

(contd.)

1.14 : PRODUCTION OF SELECTED INDUSTRIES—(contd.)

Unit	April-Sept.															1968-69*		
	1967-68																	
	1950-51	1955-56	1960-61	1965-66	1966-67	1967-68	1968-69*	1st Qr.	2nd Qr.	3rd Qr.	4th* Qr.	1st Qr.	2nd Qr.					
I	2	3	4	5	6	7	8	9	10	11	12	13	14	15				
III. MECHANICAL ENGINEERING INDUSTRIES :																		
9. Machine Tools . Million rupees	.	3	8	70	294	354	283	141	119	73	68	66	76	57	62			
10. Cotton textile machinery "	.	n.a.	40	104	216	134	115	65	56	36	29	27	23	25	31			
11. Sugar mill machinery . "	2	44	77	94	84	47	56	22	25	13	24	24	32			
12. Cement machinery . "	4	6	49	64	79	34	37	16	18	17	28	22	15			
13. Railway wagons †† '000 nos.	.	2.9	15.3†	8.2	23.5	15.0	11.9	5.6	6.3	2.7	2.9	3.1	3.2	3.1	3.2			
14. Automobiles (total) . "	.	16.5	25.3	55.0	70.7	75.2	67.9	30.1	37.2	15.5	14.6	17.0	20.8	17.1	20.1			
(i) Commercial vehicles . "	.	8.6	9.9	28.4	35.3	35.6	29.4	12.3	15.8	6.6	5.7	8.2	8.9	7.0	8.8			
(ii) Passenger cars, etc. . "	.	7.9	15.4	26.6	35.4	39.6	38.5	17.8	21.4	8.9	8.9	8.8	11.9	10.1	11.3			
15. Motor cycles and scooters . . "	0.9†	19.4	40.7	47.8	57.0	28.2	33.8	12.7	15.5	14.4	14.4	15.8	18.0			
16. Power driven pumps . . "	.	35	37	109	244	311	269	148	133	81	76	67	62	58	75			
17. Diesel engines (stationary) . "	.	5.5	10.4	44.7	93.1	112.2	113.0	55.9	55.9	27.9	28.8	27.4	29.7	27.5	28.4			
18. Diesel engines (vehicular) . "	10.8	8.1	6.7	2.3	1.0	1.1	0.4	0.6	0.7	0.6	0.3	0.8			
19. Bicycles . . . "	.	99	513	1071	1574	1719	1673	842	943	431	411	387	444	488	455			
20. Sewing machines . . . "	.	33	111	303	430	400	367	177	214	95	82	88	102	108	104			

IV. ELECTRICAL ENGINEERING INDUSTRIES :

21. Power transformers	. '000 k.v.a.	. 179	625	1413	4458	4949	5313	2602	2036	1250	1352	1260	1451	1051	985
22. Electric Motors	. '000 h.p.	. 99	272	728	1753	2095	2029	1024	927	504	520	483	522	484	443
23. Electric fans	. '000 nos.	. 199	287	1059	1358	1364	1372	698	743	363	335	319	355	395	348
24. Electric lamps	. Million nos.]	. 14.0	25.0	43.5	72.1	83.3	79.1	39.9	46.7	21.0	18.9	18.2	21.0	20.7	26.0
25. Radio Receivers	. '000 nos.	. 54	102	282	606	761	931	411	676	197	214	244	276	290	386

26. Electric cables and wires :

(i) Aluminium conductors	. '000 tonnes	. 1.7	9.4	23.6	40.6	52.9	72.6	35.1	25.4	16.6	18.5	18.5	19.0	15.1	10.3
(ii) Bare copper conductors	. '000 tonnes	. 5.0	8.7	10.1	3.1	1.7	0.7	0.3	0.5	0.1	0.2	0.2	0.2	0.2	0.3

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V. CHEMICAL AND ALLIED INDUSTRIES :

27. Nitrogenous fertilizers.	'000 tonnes of N	9	80	101	232	308	367	152	234	70	82	93	122	108	126
28. Phosphatic fertilizers	. " of P ₂ O ₅	9	12	53	123	145	195	87	107	39	48	52	56	49	58
29. Sulphuric acid	. '000 tonnes	. 101	167	368	662	702	846	388	461	158	230	225	233	226	235
30. Soda ash	. '000 tonnes	. 45	82	152	331	348	370	173	200	86	87	95	102	101	99
31. Caustic soda	. '000 tonnes	. 12	36	101	218	233	275	123	149	57	66	68	84	69	80

(Contd.)

1.14 PRODUCTION OF SELECTED COMMODITIES—(Concl'd.)

Unit	April-Sept.										1968-69*			
	1950-51		1955-56		1960-61		1965-66		1967-68		1st 2nd		4th* 1st	
	51	56	56	61	61	66	67	68	68	69	Qr.	Qr.	Qr.	Qr.
I	2	3	4	5	6	7	8	9	10	11	12	13	14	15
32. Paper and paperboard . '000 tonnes	116	190	350	558	580	628	310	318	150	160	159	159	159	159
33. Rubber tyres and tubes :														
(i) Automobile tyres . Million nos.	n.a.	0.90	1.44	2.31	2.43	2.09	1.27	0.66	0.57	0.70	0.58	0.24	0.32	0.34
(ii) Automobile tubes . "	n.a.	0.80	1.35	2.27	2.40	2.38	1.39	0.72	0.69	0.70	0.68	0.31	0.35	0.37
(iii) Bicycle tyres . "	n.a.	5.80	11.15	18.46	20.34	22.79	11.58	12.36	5.71	5.87	5.47	5.74	6.11	6.25
(iv) Bicycle tubes . "	n.a.	5.69	13.27	18.62	20.75	18.63	10.11	9.03	5.01	5.10	3.99	4.53	4.54	4.49
34. Cement . Million tonnes	2.73	4.67	7.97	10.82	11.07	11.5	5.6	5.7	2.9	2.7	2.9	3.0	2.9	2.8
35. Refractories . '000 tonnes	237	293	567	695	730	750	375	319	187	188	188	187	167	152
36. Refined petroleum products . Million tonnes.	0.2	3.4	5.8	9.4	11.9	13.7	6.7	7.6	3.2	3.5	3.5	3.5	3.9	3.7

VI. TEXTILE INDUSTRIES :

37. Jute textiles . '000 tonnes	837	1071	1097	1302	1117	1156	582	555	301	281	277	297	286	269
38. Cotton yarn . Million kgs.	534	744	801	907	902	926	458	484	223	235	230	238	237	247
39. Cotton cloth (total) . Million metres	4215	6260	6738	7440	7304	7509	3655	4053	1762	1892	1926	1928	1997	2056
Million metres	3401	4665	4649	4401	4202	4258	2094	2242	1017	1077	1063	1101	1122	1120

(ii) Decentralised sector .	Million metres	814	1595	2089	3039	3101	3251	1561	1811	746	815	863	827	875	936
40. Rayon yarn @@ .	'000 tonnes	2.1	13.5	43.8	75.6	80.6	92.2	46.9	51.1	22.9	24.0	20.3	25.0	23.8	27.3
41. Art silk fabrics .	Million metres	287†	331†	544†	878	862	911	416	474	208	208	241	254	230	244
42. Woollen manufactures :															
(i) Woollen/Worsted yarn .	Million kgs	8.7	9.8	13.0	17.0	16.9	16.8	8.2	9.3	4.1	4.1	4.3	4.3	4.4	4.9
(ii) Woollen/Worsted fabrics (wearable) .	Million metres	6.1†	6.8†	8.4	9.2	9.5	9.2	4.3	5.5	2.0	2.3	2.7	2.2	2.3	3.2
VII. FOOD INDUSTRIES :															
43. Sugar @@@ .	'000 tonnes.	1134	1890	3029	3510*	2147*	2249**	1431	174	137	6	708	1366	122	52
44. Tea .	Million kgs.	277	299	320	373	372	383	264	262	97	167	99	20	89	173
45. Coffee .	'000 tonnes	21.0	29.0	54.1	62.1	71.0	72.6	40.1	28.3	29.7	10.4	8.8	23.7	22.4	5.9
46. Vanaspathi .	'000 tonnes	170	280	340	401	366	422	185	220	97	88	106	131	118	102
VIII. ELECTRICITY (GENERATED)@ .	Billion k.w.h.	5.3	8.8	17.0	32.0	35.0	39.4	19.0	22.0	9.3	9.7	10.0	10.4	10.9	11.1

*Provisional.

x Excludes output in Goa.

†† Excludes output in Railway Workshops.

† Relates to calendar year.

@ Relates to public utilities only.

@@ Includes viscose yarn, staple fibre and acetate yarn.

†† Relate to 1951.

@@@ Annual data relate to sugar season November to October.

** Sugar season is from October to September w.e.f. 1967-68. The figures are provisional.

1.15 : RATIO OF STOCKS TO PRODUCTION OF SELECTED COMMODITIES

	(1)	(2)	1966				1967				1968*			
			1966		1967		1967		1968*		1968*		1968*	
			III Qr.	IV Qr.	I Qr.	II Qr.	III Qr.	IV Qr.	I Qr.	II Qr.	III Qr.	IV Qr.	I Qr.	II Qr.
			(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)			
<i>I. Stock Ratio : Rising Tendency</i>														
Iron ore ('000 tonnes)	•	Production • Stocks • Ratio (%)	1606 2991 186	1564 3218 206	1590 3454 217	1606 3760 234	1550 3903 252	1436 3820 249	1657 3839 232	1685 3762 223	1702 3729 219			
Steel castings (tonnes)	•	Production • Stocks • Ratio (%)	4560 11141 244	4344 10921 251	4356 13500 296	4695 13732 293	4392 16060 366	3954 16340 413	3835 9280 242	3808 11328 297	4113 12136 295			
Electric motors ('000 h.p.)	•	Production • Stocks • Ratio (%)	167 122 73	177 110 62	189 145 77	168 131 78	173 195 113	161 221 137	174 226 130	161 220 137	148 238 161			
Razor blades (million nos.)	•	Production • Stocks • Ratio (%)	81 117 144	79 116 147	68 20 29	72 10 14	69 100 145	51 130 255	70 196 280	70 172 246	56 145 259			
Clocks (nos.)	•	Production • Stocks • Ratio (%)	6129 1620 26	6236 1866 30	6661 3324 50	7069 2352 33	6886 3459 50	6538 2406 37	5931 2538 43	6890 2652 38	6680 3106 46			
Diesel trucks (nos.)	•	Production • Stocks • Ratio (%)	1720 878 51	2000 1174 59	1881 545 29	1279 702 55	1346 744 55	1808 769 43	1943 358 18	1531 1627 106	1552 1136 73			
Diesel buses (nos.)	•	Production • Stocks • Ratio (%)	639 161 25	539 234 43	793 160 20	648 249 38	620 155 25	576 554 96	640 171 27	510 148 29	1057 499 47			

Sulphuric acid ('000 tonnes)	Production Stocks	63 32	56 28	60 27	53 24	77 31	75 30	78 31	75 49	78 63
	Ratio (%)	51	50	45	45	40	40	40	65	
Soda ash. ('000 tonnes)	Production Stocks	28 6	30 14	29 10	29 6	29 8	32 10	34 20	34 13	33 14
	Ratio (%)	21	47	34	21	28	31	59	38	42
Heavy structurals (tonnes)	Production Stocks	7196 4123	6193 4031	4989 4751	2254 1790	1824 191	1752 2613	2119 204	1854 2602	2340 2602
	Ratio (%)	57	65	95	79	10	149	10	140	111
Power transformers ('000 k.v.a.)	Production Stocks	335 581	426 454	459 489	417 568	451 586	420 644	484 616	343 519	328 579
	Ratio (%)	151	107	107	136	130	153	127	151	177
Cement ('000 tonnes)	Production Stocks	907 156	975 204	942 198	966 236	899 200	962 221	999 216	979 261	922 244
	Ratio (%)	17	21	21	24	22	23	22	27	26
Finished steel ('000 tonnes)	Production Stocks	361 192	368 200	379 218	318 224	333 187	332 274	351 238	355 240	353 232
	Ratio (%)	53	54	58	70	56	83	68	68	66
Bicycles ('000 nos.)	Production Stocks	134 79	150 82	154 97	144 102	137 108	129 188	148 90	163 88	152 199
	Ratio (%)	59	55	63	71	79	146	61	54	131
II. Stock Ratio: Fluctuations in both directions										
Coal ('000 tonnes)	Production Stocks	5709 5014	5979 5426	6141 6008	6143 6132	5660 5923	5770 5578	6413 6008	6037 6530	5937 6190
	Ratio (%)	88	91	98	100	105	97	94	108	104
Diesel engines (Stationary) (nos.)	Production Stocks	8877 7149	9715 3698	10220 3968	9305 4652	9600 8496	9126 6634	9912 9030	9180 3448	9468 8320
	Ratio (%)	81	38	39	50	89	73	91	38	88

(Contd.)

Caustic soda (‘000 tonnes)	Production	20	19	19	22	23	28	23	27
	Stocks	11	15	10	13	16	16	16	14
	Ratio (%)	55	75	79	59	100	57	70	52
Radio receivers (‘000 nos.)	Production	53	67	66	71	81	92	97	129
	Stocks	23	41	39	36	51	53	43	53
	Ratio (%)	43	61	59	51	63	58	44	41
Automobile tubes (‘000 nos.)	Production	198	216	228	233	227	103	115	124
	Stocks	96	96	128	149	104	84	73	43
	Ratio (%)	49	44	56	64	46	82	63	35
III. Stock Ratio :									
<i>Declining Tendency</i>									
Automobile tyres (‘000 nos.)	Production	213	224	209	234	192	80	107	114
	Stocks	89	75	74	83	50	35	35	28
	Ratio (%)	42	33	35	35	26	44	33	25
Refrigerators (nos.)	Production	3407	3687	3414	3459	3179	3722	5087	4191
	Stocks	4990	7706	7056	5695	8532	4692	4736	1984
	Ratio (%)	146	209	207	165	268	126	93	47
Sewing machines (‘000 nos.)	Production	35	27	32	28	29	34	36	35
	Stocks	35	29	24	15	21	11	20	21
	Ratio (%)	100	107	88	54	72	32	56	60

*Provisional.

NOTES :—(1) (a) Production figures are the monthly averages of the quarters.

(b) Stock figures are for the end of the quarters.

(c) Ratios are stocks to production.

(2) The break-up of this table under the three heads is based on a broad comparison of the stock ratio in the third quarter of 1968 with the corresponding quarter of 1966 and on the overall movement in the ratio over the entire period.

**2·1 : BUDGETARY TRANSACTIONS OF THE CENTRAL AND STATE
GOVERNMENTS AND UNION TERRITORIES**

(Rs. crores)

	1965-66 (Accts.)	1966-67 (Accts.)	1967-68 (R.E.)	1968-69 (B.E.)
I	2	3	4	5
I. Total Outlay	5605	6143	6481	6647
(a) Development*	3479	3416	3645	3831
1. Plan	2291	2137	2205	2337
2. Non-Plan	1188	1279	1440	1494
(b) Non-Development**	2126	2727†	2836	2816
1. Defence (net)	885	909	970	1015
2. Interest on public debt	422	525	603	667
3. Tax collection charges	99	101	115	124
4. Police	190	207	231	246
5. Others††	530	985	917	764
II. Current Revenue	3828	4202	4467	4883
(a) Tax Revenue	2922	3261	3433	3719
1. Income & Corporation tax	577	638	620	640
2. Customs	539	585	523	539
3. Union Excise Duties	898	1034	1163	1286
4. Sales Tax	382	460	523	583
5. Others	526	544	604	671
(b) Non-tax Revenue‡ (of which contribution to Plan by public undertakings)	906 (188)	941 (182)	1034 (136)	1164 (208)
III. Gap (I-II)	1777	1941	2014	1764
Financed by :				
IV. Capital Receipts (net)	1446	1715	1692	1451
(a) Internal (net)	784	930	737	590
1. Market Loans (net)@	247	205	207	167
2. Small Savings, Prize Bonds, Premium Prize Bonds and Gold Bonds (net)	138	121	110	116
3. State Provident Fund and Compulsory Deposit/Income tax Annuity Deposits (net)	120	110	147	79
4. Miscellaneous Capital Re- ceipts (net)	279	494§	273	228

(Contd.)

(Rs. crores)				
	1965-66 (Accts.)	1966-67 . (Accts.)	1967-68 (R.E.)	1968-69 (B.E.)
I	2	3	4	5
(b) <i>External (net)</i>	662	785	955	861
1. Loans, net (excl. PL 480) .	402	354	535	581
Gross	482	516	720	775
Less Repayments	80	162	185	194
2. Grants (excl. PL 480)@@ .	8	84	54	6
3. PL 480 assistance@@@ .	252	347	366	274
(a) P.L. 480 Loans	80	350	295	244
(b) Investment of deposits of U.S. Govt. counterpart funds (net)	112	(—)3	71	25
(c) P.L. 480 Grants	60	..	..	5
V. Overall Budgetary Deficit	331	226	322§§	313

*Includes Plan expenditure of Railways and non-departmental undertakings out of their own resources as well as loans by the Central and State Governments to local bodies and non-departmental commercial undertakings (including Electricity Boards) and developmental loans to other parties.

**Excludes transfers to Special Development Fund and other Funds.

†Includes Rs. 207 crores on account of additional rupee subscription to IMF etc. following devaluation, and Rs. 12 crores on account of service charges —Rs. 219 crores in all.

‡Includes contribution of Railways, P & T and other non-departmental commercial undertakings for the Plan.

@Includes borrowings by the Electricity Boards.

§Includes securities issued to IMF, IBRD and IDA following devaluation.

@@Includes special food gifts from Canada, U.S.S.R. and Australia.

@@@Assistance under PL 480 is credited in the budget as (a) loans, (b) grants and/or (c) net deposits invested in special securities. The Financial Statement includes, in the figure of investments in special securities, transfer of PL 480 deposits from the State Bank of India to Government. In this table, amounts of such transfers, which were completed by 1965-66 are shown as internal receipts under the head "Miscellaneous Capital Receipts".

§§Actual deficit is estimated at Rs. 260 crores.

††Include general administration, pensions and privy purses, famine relief, food subsidy, grants and loans to foreign countries and non-developmental loans to other parties.

NOTE : In the light of more recent data certain refinements have been made in the classification of developmental and non-developmental expenditures. Figures of developmental and non-developmental expenditures, therefore, not agree with those given in the earlier Economic Surveys.

2.2 : TOTAL EXPENDITURE OF THE CENTRAL GOVERNMENT

(Rs. crores)

	Total First Plan	Total Second Plan	Total Third Plan	1950-51	1955-56	1960-61	1965-66	1966-67	1967-68 (R.E.)	1968-69 (B.E.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1. Final Outlays	1853.6	3406.0	6701.1	314.8	421.8	740.4	1629.5	1712.3	1830.0	1992.1
(a) Government Consump- tion Expenditures	1241.3	1961.5	4256.0	234.7	269.1	433.0	1109.1	1212.1	1300.6	1359.0
(b) Gross Capital Formation	612.3	1444.5	2445.1	80.1	152.7	307.4	520.4	500.2	529.4	633.1
2. Transfer payments to the rest of the economy.	931.9	1816.4	3483.8	116.9	251.3	495.2	885.7	1195.6	1277.0	1210.5
(a) Current transfers	809.2	1567.1	2982.9	110.9	202.8	426.5	753.8	1053.9	1132.2	1065.9
(b) Capital transfers	122.7	249.3	500.9	6.0	48.5	68.7	131.9	141.7	144.8	144.6
3. Financial investments and loans to the rest of the economy (gross)	965.7	2600.2	5075.9	72.0	301.4	570.0	1478.4	1550.5*	1524.4	1506.4
4. Total Expenditure	3751.2	7822.6	15260.8	503.7	974.5	1805.6	3993.6	4458.4*	4631.4	4709.0

*Excludes Rs. 207 crores as additional payment to I.M.F., I.B.R.D., I.D.A. and A.D.B. following the change in the par value of the rupee. These are nominal outlays as these are met by the issue of non-negotiable Government of India Securities.

2.3 : GROSS CAPITAL FORMATION OUT OF THE BUDGETARY RESOURCES OF THE CENTRAL GOVERNMENT
(Rs. crores)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Total First Plan	Total Second Plan	Total Third Plan	1950-51	1955-56	1960-61	1965-66	1966-67	1967-68 (R.E.)	1968-69 (B.E.)
A. Gross Capital Formation by the Central Government :										
(a) Fixed Assets . . .	593.9	1362.3	2355.4	79.5	177.4	302.0	549.1	406.5	513.7	522.4
(b) Works Stores . . .	9.8	8.3	99.5	9.9	5.1	(-) 38.4	1.2	15.1	13.1	18.8
(c) Increase in stocks of foodgrains . . .	8.6	73.9	(-) 9.8	(-) 9.3	(-) 29.8	43.8	(-) 29.9	(-) 21.4	2.6	91.9
TOTAL . . .	612.3	1444.5	2445.1	80.1	152.7	307.4	530.4	500.2	529.4	633.1
B. Gross Financial Assistance for Capital Formation :										
(a) To State Governments	815.7	1373.2	2837.4	41.1	275.2	319.3	739.4	725.5	712.4	742.6
(b) To Non-Departmental Commercial Undertakings* . . .	81.1	932.4	1658.8	5.2	22.0	210.7	492.6	510.0	464.8	511.3
(c) To Others** . . .	95.9	154.7	210.4	2.4	33.4	24.6	53.0	57.5	57.8	58.2
TOTAL . . .	992.7	2460.3	4706.6	48.7	330.6	554.6	1285.0	1293.0	1235.0	1312.1
C. Gross Capital Formation out of the Budgetary Resources of Central Government (A + B)										
	1605.0	3904.8	7151.7	128.8	483.3	862.0	1805.4	1793.2	1764.4	1945.2

* Public undertakings operated by autonomous corporations or companies.
** Includes loans and grants to local authorities for capital formation.

2.4: PLAN OUTLAYS BY HEADS OF DEVELOPMENT : CENTRE, STATES AND UNION TERRITORIES

(Rs. lakhs)

	1961-62	1962-63	1963-64	1964-65	1965-66	Third Plan Total	1966-67	1967-68*	1968-69†
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1. Agricultural Programmes . . .	8370 (7.42)	10112 (7.30)	13336 (7.80)	17561 (8.86)	23104 (10.08)	72483 (3.52)	25387 (11.88)	28487 (12.71)	27024 (11.56)
2. Cooperation . . .	938 (0.83)	1354 (0.98)	1852 (1.08)	1748 (0.88)	1662 (0.73)	7554 (0.89)	3352 (1.57)	3633 (1.62)	3381 (1.45)
3. Community Development and Panchayats.	5500 (4.88)	5885 (4.24)	5584 (3.27)	5900 (2.97)	5977 (2.61)	28846 (3.40)	4000 (1.87)	3369 (1.50)	2373 (1.02)
4. Irrigation and Flood Control . . .	10600 (9.40)	11454 (8.27)	12049 (7.05)	14912 (7.53)	17459 (7.62)	66474 (7.82)	14399 (6.74)	14716 (6.56)	15469 (6.62)
5. Power . . .	13948 (12.37)	18241 (13.16)	25705 (15.04)	30603 (15.45)	36293 (15.84)	124790 (14.69)	40365 (18.88)	40056 (17.86)	33880 (14.49)
6. Large and Medium Industries . . .	19298 (17.11)	25413 (18.34)	34068 (19.93)	23804 (12.03)	35394 (15.44)	137977 (16.24)	37266 (17.44)	52085 (23.23)	53933 (23.07)
7. Mineral Development . . .	194 (0.17)	180 (0.13)	234 (0.14)	14017 (7.07)	13744 (6.00)	28369 (3.34)	14179 (6.63)		
8. Village and Small Industries . . .	3759	3976	4315	4799	5308	22157	4376	4494	4141

10. Other Transport and Communications	17564 (15.57)	24901 (17.97)	30190 (17.66)	31424 (15.87)	28474 (12.43)	132553 (15.60)	19868 (9.30)	18225 (8.13)	17200 (7.36)
11. Education and Scientific Research	12086 (10.72)	12555 (9.06)	15783 (9.23)	19196 (9.69)	18999 (8.29)	78619 (9.25)	22500 (10.52)	24184 (10.79)	25416 (10.87)
12. Health and Family Planning	7771 (6.89)	10019 (7.23)	12300 (7.20)	16113 (8.12)	19771 (8.62)	65974 (7.76)	10176 (4.77)	13202 (5.89)	14349 (6.14)
13. Other Social Services	5443 (4.83)	6490 (4.68)	6397 (3.74)	7574 (3.82)	9746 (4.25)	35650 (4.20)	8456 (3.96)	11080 (4.94)	12261 (5.25)
14. Miscellaneous	5959 (5.28)	6541 (4.72)	7084 (4.15)	8792 (4.44)	10806 (4.72)	39182 (4.61)	7805 (3.65)	8543 (3.81)	8131 (3.48)
15. Grand Total	112794 (100.00)	138580 (100.00)	170929 (100.00)	198182 (100.00)	229141 (100.00)	849626 (100.00)	213723 (100.00)	224199 (100.00)	233743 (100.00)

*Likely actuals.

†Plan provision.

**Includes Rs. 140 crores investment in "Buffer Stocks"

NOTE :—Figures shown in brackets are percentages.

3.1: EMPLOYMENT IN THE PUBLIC SECTOR

(Figures in lakhs)

At the end of

	March 1956	March 1961	March 1962	March 1963	March 1964	March 1965	March 1966	March 1967	March 1968 ^(a)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A. By Branch of the Public Sector :									
1. Central Government	18.58	20.90	21.86	23.29	24.34	25.68	26.36	26.87	27.15
2. State Government	22.65	30.14	30.87	31.98	34.33	35.85	37.23	37.67	38.03
3. Quasi Government	3.68	7.73	8.79	9.95	10.97	12.06	13.18	14.02	14.84
4. Local Bodies	7.43	11.73	12.65	14.31	14.90	15.98	17.01	17.78	18.00
TOTAL	52.34	70.50	74.17	79.53	84.54	89.57	93.78	96.34	98.02
B. By Industrial Classification :									
1. Agriculture, livestock, forestry and fishing	0.14	1.80*	1.74	1.82	2.03	2.09	2.26	2.32	2.46
2. Mining and quarrying	0.54	1.29	1.45	1.60	1.57	1.61	1.60	1.76	1.74
3. Manufacturing	2.05	3.69	4.21	5.09	5.81	6.35	6.70	6.95	7.31
4. Construction	4.16	6.03	6.41	6.62	7.15	7.40	7.66	7.63	7.55
5. Electricity, gas, water and sanitary services	0.77	2.24	2.34	2.44	2.64	2.91	3.03	3.37	3.46
6. Trade and commerce	0.43	0.94	1.09	1.20	1.33	1.43	1.55	1.66	1.77
7. Transport, storage and communications	13.92	17.24	17.97	18.86	19.37	20.44	20.94	21.15	21.37
8. Services	30.33	37.27	38.96	41.90	44.64	47.34	50.04	51.50	52.36
TOTAL	52.34	70.50	74.17	79.53	84.54	89.57	93.78	96.34	98.02

*The bulk of the increase is due to the reclassification of certain categories from "services" division to this head.
(a) Provisional.

3.2 : EMPLOYMENT IN THE PRIVATE SECTOR

(Figures in lakhs)

At the end of

	March 1961	March 1962	March 1963	March 1964	March 1965	March 1966	March 1967	March@ 1968
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1. Agriculture, livestock, forestry and fishing*	6.7	7.4	7.4	7.2	8.9	9.0	8.7	8.5
2. Mining and quarrying . . .	5.5	4.8	5.2	5.0	4.9	5.1	4.8	4.3
3. Manufacturing . . .	30.2	30.5	32.7	34.2	36.1	38.6	37.5	37.1
4. Construction**	2.4	1.8	1.8	1.7	1.9	2.5	2.2	1.5
5. Electricity, gas, water and sanitary services . . .	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5
6. Trade and commerce . . .	1.6	1.9	1.9	2.0	2.2	3.3	3.5	3.5
7. Transport, storage and communications . . .	0.8	1.2	1.4	1.1	1.1	1.2	1.2	1.0
8. Services . . .	2.8	3.6	3.7	4.3	4.8	8.0	8.5	8.8
TOTAL . . .	50.4	51.6	54.5	55.9	60.3	68.1	66.8	65.2

*This includes all plantations, except coffee for which the coverage is incomplete.

**Coverage in construction, particularly on private account, is known to be inadequate.

@Provisional.

NOTE :—From March 1961 to March 1965, the data relate to non-agricultural establishments in the private sector employing 25 or more worker. Since March, 1966, the coverage has been extended so as to include establishments employing 10 to 24 workers also on a voluntary basis.

4.1: ANALYSIS OF MONEY SUPPLY VARIATIONS@

(Rs. Crores)

	Variations during						Out- standing as on January 3, 1969
	1964-65	1965-66	1966-67	1967-68	1968-69		
	March 31 to March 31	March 31 to March 31	March 31 to March 31	March 31 to January 5	March 31 to January 3		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A. Money Supply with the public (1+2)
1. Currency with the public
2. Deposit Money
F. Factors affecting money supply variations (1+2+3+4+5+6)							
1. Net Bank credit to Government (a+b)
(a) Reserve Bank's net credit to Government (i+ii)
(i) To Central Government
(ii) To State Governments
(b) Banks' holdings of Government Securities
2. Net Bank credit to Private Sector (a + b)
(a) Reserve Bank's credit to private sector
(b) Banks' net credit to private sector (i—ii)
(i) Banks' advances and holdings of private securities
(ii) Banks' time deposits
3. Net Foreign Exchange Assets of Banking Sector (a+b)
(a) Net foreign exchange assets of Reserve Bank
(b) Banks' net foreign exchange assets
4. Government's net currency liabilities to the public
5. Net non-monetary liabilities of Reserve Bank
6. Non-identifiable Net non-monetary liabilities of Banks (including some errors and omissions)

(@)Provisional.

*Adjusted for sale of gold (Rs. 16.0 crores) by the Government to the R.B.I.

†Adjusted for purchase of gold (Rs. 17.9 crores) by the Government from the R.B.I.

**Adjusted for revaluation of Reserve Bank's assets after the change in the par value of the rupee.

Notes :—(i) Figures of commercial banks' holding of Government securities and time deposits are adjusted for the transfer of U.S. rupee fund: (Rs. 61 crores in 1964-65 and Rs. 21 crores in 1965-66) from the State Bank to the Reserve Bank.

(ii) Figures may not add up to totals due to rounding.

4.2: SCHEDULED COMMERCIAL BANKS : SEASONAL FLOW OF FUNDS

(Rs. Crores)

	1966-67 Busy Season	1967 Slack Season	1967-68 Busy season	1968 Slack season	1967-68 Busy season Oct. 27 to Jan. 5	1968-69 Busy season Oct. 25 to Jan. 3	Outstanding as on January 3, 1969
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I. Deposit Expansion :							
Demand Deposit	110	63	122	21	53	13	1856
Time Deposit	59	128	100	198	45	123	2375
Total	169	191	222	219	98	136	4231
II. Credit (Increase —)	—427	102	—509	20	—167	—42	3099
III. Net flow of Funds (I + II)	—258	293	—287	239	—69	94	
IV. Borrowings from RBI (Increase —)	—41	36	—105	84	3	—26	56
V. Investments in Government Securities	—198	218	—182	124	—81	26	1117
VI. Other Sources/Avenues	—19	39	—	31	9	94	
VII. Slack season variations expressed as percentages of variations in the preceding busy season :							
1. Return flow of credit		1967		1968			
		24		4			
2. Liquidation of borrowings from the R.B.I.		88		80			

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4.E: SECURED ADVANCES OF SCHEDULED COMMERCIAL BANKS

Name of Security	Variations (in Rs. crores) during				Outstanding		Variations (in percentages*) during			
	1966-67	1967	1967-68	1968	as on	October 25, 1968@	1967	1967-68	1968	
	Busy season Oct. 28 to April 28	Slack season April 27 to Oct. 27	Busy season Oct. 27 to April 26	Slack season April 26 to Oct. 25@			Slack season April 28 to Oct. 27	Busy season Oct. 27 to April 26	Slack season April 26 to Oct. 25@	
I. Food Articles	44.96	-92.33	244.52	-90.43	233.66		-53.7	307.3	-27.9	
1. Foodgrains	3.39	-9.43	105.23	22.03	167.19		-19.1	263.5	15.2	
2. Sugar and Gur	31.06	-72.90	127.48	-109.67	46.61		-71.7	442.6	-70.2	
3. Vegetable Oils (including Vanaspati)	10.51	-10.00	11.81	-2.79	19.86		-48.0	108.9	-12.3	
II. Industrial Raw Materials	132.75	-117.63	117.52	-80.36	154.11		-50.2	100.6	-34.2	86
1. Groundnuts	18.13	-17.54	8.15	-7.13	3.24		-88.8	367.1	-68.8	
2. Other oilseeds	20.60	-21.21	6.75	-5.68	9.38		-71.8	81.2	-37.7	
3. Cotton and Kapas	78.00	-65.05	83.39	-49.33	114.71		-44.6	103.4	-30.1	
4. Raw jute	16.02	-13.83	19.23	-18.12	26.78		-35.0	74.9	-40.4	
III. Plantation Products	6.76	8.25	21.86	-2.98	101.57		11.1	26.4	-2.8	
1. Tea.	13.44	15.33	-1.87	17.85	73.86		36.0	-3.2	313.8	
2. Cashewnuts	2.01	-3.35	12.64	-9.38	11.32		-29.4	156.8	-45.3	
3. Coffee	3.98	-4.26	6.84	-8.87	4.92		-38.0	98.4	-64.3	
4. Other plantation products.	0.69	0.53	4.25	-2.58	11.47		5.7	43.4	-18.4	

IV. Manufactures and Minerals		129.01	91.27	61.74	95.27	1306.57	8.6	5.4	7.5
of which :									
1. Cotton Textiles	.	6.46	14.75	22.58	14.81	238.45	7.9	11.2	6.6
2. Jute Textiles	.	-0.65	3.26	-3.71	9.43	59.60	6.4	-6.9	18.8
V. Other Securities	.	131.40	-13.15	51.10	29.72	857.98	-1.7	6.6	3.6
1. Real estate	.	5.83	1.83	3.24	5.77	62.74	3.5	6.0	10.1
2. Gold and silver bullion and ornaments	.	1.05	2.35	1.24	3.57	31.16	9.8	4.7	12.9
3. Fixed deposits	.	8.65	-0.30	6.03	-0.12	64.21	-0.5	10.3	-0.2
4. Government and other trustee securities	.	-5.06	3.07	-2.68	-0.42	21.79	14.1	-10.8	-1.9
5. Shares and debentures of joint stock companies	.	11.89	-9.84	-0.17	-6.73	104.16	-8.1	-0.2	-6.1
6. Assets of industrial concerns fixed or floating (other than those specified under the above categories)	.	23.10	0.48	0.29	9.35	194.94	0.3	0.2	5.0
7. Other secured advances not mentioned above	.	63.19	-1.29	29.15	15.87	313.90	-0.5	10.8	5.3
8. Composite advances	.	22.75	-9.45	14.00	2.43	65.08	-16.3	28.8	3.9
VI. Total Secured Advances (I+II+III+IV+V)	.	431.36	-123.59	496.74	-48.68	3653.89	-5.3	22.5	-1.8
VII. Clean Advances	.	-7.86	27.79	3.17	33.57	401.93	8.2	0.9	9.1
VIII. Total Bank Credit (VI+VII)	.	423.50	-95.80	499.91	-15.11	3055.82	-3.6	19.4	-0.5

*Percentages have been worked out on the basis of figures in lakhs of rupees.

@Provisional

4.4 : CAPITAL MARKET : SELECTED INDICATORS

(Rs. crores)

1961-62 1962-63 1963-64 1964-65 1965-66 1966-67 1967-68 1968-69

(1) (2) (3) (4) (5) (6) (7) (8) (9)

I. Consents granted by the C.C.I. for the issue of Capital*

I. All companies 248.0 381.5 544.3 392.3 275.8 466.4 234.6 143.2

(a) Industrial 220.6 346.3 463.5 335.8 232.7 397.8 208.8 128.7

(b) Others 27.4 35.2 80.8 56.5 43.1 68.6 25.8 14.5

II. (a) Government Companies 62.9 162.1 306.7 167.5 109.3 181.7 2.4 5.8

(b) Non-Government Companies 185.1 219.4 237.6 224.8 166.5 284.7 232.2 137.4

III. (a) Bonds 10.4 13.5 10.9 4.1 4.9 147.0 47.9 33.6

(b) Others (including initial, further, debentures and loans) 237.6 368.0 533.4 388.2 270.9 312.3 186.7 109.6

IV. (a) Residents 213.8 326.4 417.9 322.2 191.5 374.3 171.9 107.6

(b) Non-Residents 34.2 55.1 126.4 70.1 84.3 92.1 62.7 35.6

2. Capital raised against such consents by Companies in the private sector †† 101.4 108.3 94.5 95.2 102.6 78.6 84.8 56.18

3. Deposits with Joint Stock Companies (non-financial) @

(a) No. of companies accepting deposits 1208 (570)

1309 (624) 1395 (664) 1569 (782) 1964 (987) N.A. N.A.

(b) Total amount of deposits 97.5 (31.3)

112.0 (33.8) 135.6 (37.6) 160.2 (47.0) 228.5 (65.7) N.A. N.A.

4, Indices of Security Prices†

(i) Government and Semi-Government Securities									
	100.9	100.1	99.4	99.5 (98.2)	94.6	94.3	95.5 (95.2)**	98.1**	
(ii) Debentures of Joint Stock Companies									
	101.1	99.2	97.6	98.3 (95.7)	93.9	91.8	91.5 (91.5)**	92.3**	
(iii) Preference Shares									
	83.2	81.3	81.6	81.8 (101.5)	94.4	90.0	87.1 (87.5)**	86.0**	
(iv) Variable Dividend Industrial Securities									
	183.7	179.5	167.1	163.9 (86.1)	76.7	80.2	76.7 (77.2)**	80.0**	

*Refer to calendar years. Figures from 1967-68 onwards are not strictly comparable with those of the preceding years on account of the changes made under the Capital Issues (Exemption) Order, 1966. Under this order, all issues of capital, other than the issues of bonus shares, by private limited companies, issue of capital by government companies which does not include an offer to the public, and banking and insurance companies have been exempted from the provisions of Sections 3, 4 and 5 of the Capital Issues (Control) Act and accordingly Government's consent for the issue of capital, for advertisement of offers of securities for subscription, etc., and for purchase and sale of securities, in these cases, is not necessary. As regards public limited companies, those satisfying certain laid down financial criteria have to obtain only a "No objection" from the Controller of Capital Issues, and no specific consent is required. A specific consent is needed only if any departure from the established criteria is involved. "No objections" were issued from 4-11-1966 onwards, and figures of consents thereafter include "No objections".

††Calendar years; comprises Equity, Preference and Debenture Capital.

§Provisional.

@Figures outside brackets cover both public and private limited companies and those within brackets relate to private limited companies only.

†For 1961-62, 1962-63, 1963-64 and 1964-65, the base is 1952-53 = 100. From 1964-65 to 1968-69, a revised base 1961-62 = 100 has been used. Figures for 1964-65 under the revised series have been given within brackets.

**Refers to April-December.

N.A.—Not available

4.5. CAPITAL MARKET FINANCIAL ASSISTANCE SANCTIONED AND DISBURSED BY FINANCIAL INSTITUTIONS@

(Rs. crores)

Name of Institution	1961-62		1962-63		1963-64		1964-65		1965-66		1966-67		1967-68	
	Sanc- tioned	Dis- bursed	Sanc- tioned	Dis- bursed	Sanc- tioned	Dis- bursed	Sanc- tioned	Dis- bursed	Sanc- tioned	Dis- bursed	Sanc- tioned	Dis- bursed	Sanc- tioned	Dis- bursed
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Industrial Finance Corporation of India	26.7	8.3	21.1	16.2	35.1	20.5	24.6	20.1	45.9	27.1	21.7	31.2	20.8	23.9
2. Industrial Credit and Investment Corporation of India	15.8	7.0	19.3	10.3	23.3	11.4	23.1	17.0	29.6	25.3	18.1	22.6	15.3	20.4
3. Industrial Development Bank of India	..	..	..	..	..	..	21.3	18.7	66.8	35.3	57.9	49.8	27.9	41.6
4. State Financial Corporations	13.3	9.0	19.8	12.0	18.1	13.8	22.7	14.2	25.3	18.0	21.7	18.2	19.8	16.2
5. State Industrial Development Corporations	..	..	..	..	..	..	2.5	1.3	1.7	1.4	2.6	2.5	2.4	2.1
6. National Industrial Development Corporation	4.8	2.5	2.7	3.5	..	2.3	..	1.5	..	0.8	..	0.7	..	0.4
7. Unit Trust of India	..	..	..	..	..	..	8.9	7.7	2.2	1.8	5.2	3.0	8.4	5.7
8. Life Insurance Corporation of India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
(a) Private Sector†	10.5*	..	..	18.8**	14.9	..	15.2	10.7	23.9	12.4	9.5	10.1	18.6	..
(b) Co-operative Sector	2.9*	..	..	11.7**	9.8	..	..	..	..	..	..	..	..	..

@1. Except in the case of L.I.C., figures are on a financial year basis (April—March). Data relating to L.I.C. are for financial years only from 1963-64 onwards.

2. In the case of I.F.C. and I.C.I.C.I., figures from 1965-66 are on post-devaluation basis.

3. Prior to the institution of the I.D.B.I., the Refinance Corporation for Industry had given refinance facilities of the total value of Rs. 65.5 crores since its inception in 1958 to 31st August, 1964, of which the refinance disbursed totalled Rs. 42.2 crores. During the period July, 1964 to June, 1965, the I.D.B.I., which took over the R.C.I., disbursed refinancing facilities of Rs. 21.2 crores.

4. Data in respect of S.I.D.Cs. relate to 6 S.I.D.Cs. for the years 1966-67 and 1967-68.

†Relates to Debentures, Preference shares and Ordinary shares in the Private Sector only.

*Calendar year.

**Refers to the period 1-1-1962 to 31-3-1963.

5.1 : INDEX NUMBERS OF WHOLESALE PRICES

(1952-53 = 100)

	Agricultural Commodities†	Food Articles		Liquor and Tobacco	Fuel, Power, Light & Lubri- cants	Indus- trial Raw Mate- rials‡	Manufactures		All Com- modities
		Total	Food- grains				Total	Inter- mediate Products	
Weights	46.1	50.4	23.5	2.1	3.0	15.5	29.0	4.1	100.0
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(11)									
Last Week of									
1955-56	96	95	86	78	97	111	103	111	99.2
1956-57	106	102	96	88	106	117	106	109	105.1
1957-58	102	103	91	94	114	113	107	107	106.1
1958-59	113	113	102	99	116	116	110	109	112.1
1959-60	117	116	100	97	118	132	117	121	118.7
1960-61	126	118	99	115	121	158	129	137	127.5
1961-62	119	118	100	99	122	135	126	136	122.9
1962-63	121	124	102	117	138	135	130	136	127.4
1963-64	138	141	124	119	140	146	131	145	138.9
1964-65	154	154	142	138	148	163	141	156	151.0
1965-66	178	175	156	128	160	210	157	184	174.0
1966-67	214	218	201	128	173	236	168	222	202.9
1967-68	204	226	205	156	187	196	163	199	200.6
Average of Weeks									
1955-56	88	87	73	81	95	99	100	100	92.5
1956-57	104	102	94	84	104	116	106	111	105.3
1957-58	107	106	98	94	113	116	108	107	108.4
1958-59	114	115	106	95	115	116	108	110	112.9
1959-60	116	119	102	100	116	124	112	114	117.1

(contd.)

5.1 : INDEX NUMBERS OF WHOLESALE PRICES (concl.)

(1952-53 = 100)

	Agricultural Commodities †	Food Articles		Liquor and Tobacco	Fuel, Power, Light & Lubricants	Industrial Raw Materials	Manufactures		All Commodities
		Total	Food-grains				Total	Inter-mediate Products	
Weights	46.1	50.4	23.5	2.1	3.0	15.5	29.0	4.1	100.0
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<i>Average of Weeks</i>									
1960-61	124	120	102	110	120	145	124	131	124.9
1961-62	123	120	100	100	122	143	127	139	125.1
1962-63	123	126	106	101	124	140	129	140	127.9
1963-64	132	116	116	120	139	140	131	140	130
1964-65	156	160	144	131	145	163	137	152	135.3
1965-66	169	150	150	137	153	189	149	172	152.7
1966-67	199	200	178	130	170	229	163	204	165.1
1967-68	221	242	223	137	184	220	166	212	191.3
									212.6
<i>Last Week of</i>									
1965—									
March	154	154	142	133	148	163	141	156	151.0
June	160	161	140	139	147	178	145	164	158.3
September	169	170	153	138	150	186	148	171	165.0
December	176	172	154	136	155	199	152	178	169.1
1966—									
March	178	175	156	128	160	210	157	184	174.0
June	192	193	168	129	165	230	162	200	187.3
September	194	196	171	129	170	222	160	201	187.5
December	203	206	188	130	174	222	162	201	187.5

1967 -

January	210	211	198	131	175	239	168	219	159	200.0
February	215	218	204	132	174	241	167	218	159	204.0
March	215	218	201	128	173	236	168	223	159	203.9
April	212	223	202	127	172	234	167	219	158	205.3
May	216	231	209	127	178	236	168	220	160	209.5
June	224	247	231	131	178	233	167	220	158	217.0
July	234	255	239	133	177	227	165	214	157	219.6
August	232	258	242	134	177	213	164	214	156	218.7
September	228	261	242	134	192	214	165	211	158	221.3
October	228	251	234	135	192	220	166	211	158	217.1
November	224	245	224	139	193	222	165	211	158	214.4
December	217	234	211	139	188	217	164	205	157	207.8

1968 -

January	219	238	222	143	188	216	164	204	158	209.4
February	212	226	210	149	187	194	162	199	156	199.7
March	204	226	205	156	187	196	163	199	157	200.6
April	206	234	204	164	190	199	163	195	157	205.0
May	206	234	203	169	190	201	163	196	158	205.8
June	208	232	202	176	190	192	163	193	158	203.4
July	207	235	204	187	192	200	165	196	160	207.1
August	221	248	210	198	193	226	169	204	163	218.8
September	228	251	215	206	194	235	169	204	164	222.1
October	229	244	212	210	194	240	170	205	164	219.8
November	222	222	196	230	193	231	172	204	166	208.2
December	216	216	191	259	193	233	172	205	167	206.3

†Derived series; weighted average of the indices of rice, wheat, jowar, bajra, barley, maize, ragi, gram, other pulses, potatoes, onions, oranges, bananas, cashewnuts, tea, coffee, spices and condiments, betelnuts, tobacco raw, cotton raw, jute raw, hemp raw, groundnuts, linseed, castorseed, gingelly seed, rapeseed, cotton seed, copra, tanning materials, sugarcane, rubber, logs and timber and bamboos. Figures given under this head against last week of the years are for the month of March of every year, and those against last week of the months are for the respective months.

5.2 : INDEX NUMBERS OF WHOLESALE PRICES : SELECTED COMMODITIES

(1952-53 = 100)

	Rice	Wheat	Edible oils	Raw cotton	Raw jute	Cotton yarn	Pig iron	Aluminium	Mill cloth	Jute manufactures	Iron & steel manufactures	Chemicals
Weights	11.29	5.34	4.69	3.16	2.32	1.54	0.08	0.08	6.96	3.65	1.10	2.03
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<i>Last Week of</i>												
1955-56	88	83	111	109	116	101*	117*	105*	111*	95*	126*	92
1956-57	98	94	121	113	133	108	164	101	119	93	132	97
1957-58	102	84	120	103	122	96	164	113	119	86	145	99
1958-59	92	110	124	100	114	96	163	112	112	..	145	111
1959-60	106	92	136	113	141	118	164	123	129	97	148	104
1960-61	101	92	104	111	267	126	163	144	130	156	147	105
1961-62	103	92	150	113	143	129	183	144	131	117	152	113
1962-63	111	86	140	118	150	137	183	147	132	100	161	118
1963-64	122	113	163	120	151	141	210	134	133	99	167	120
1964-65	128	144	185	132	172	139	210	177	136	127	175	125
1965-66	158	136	266	128	278	141	262	197	140	165	189	135
1966-67	183	190	314	150	252	172	262	197	150	146	196	147
1967-68	208	186	227	163	217	167	279	196	155	130	214	150
<i>Average of Weeks</i>												
1955-56	78	72	85	97	117	95	117	96	107	96	119	92
1956-57	97	88	125	111	126	109	155	101	119	95	131	93
1957-58	105	88	126	106	133	104	164	107	120	95	143	98
1958-59	105	105	124	99	118	96	164	115	114	86	145	107
1959-60	105	96	130	106	124	106	164	112	119	91	145	107
1960-61	108	90	150	112	210	128	164	142	132	131	148	104
1961-62	105	91	156	109	178	128	177	138	131	122	152	111
1962-63	111	90	152	113	147	134	183	148	132	111	160	116
1963-64	125	99	151	119	148	137	189	139	135	100	163	118
1964-65	134	130	200	126	164	139	210	151	135	114	171	121
1965-66	141	138	234	129	219	139	232	185	137	146	185	128
1966-67	173	158	304	139	266	156	262	197	146	152	192	144
1967-68	206	202	285	159	211	171	278	202	154	130	212	150

5.3 : ALL INDIA CONSUMER PRICE INDEX NUMBERS

					Working Class (1949 = 100)		Urban Non- Manual Employees (1960 = 100)
					Food Index	General Index	General Index
<i>Financial Years :</i>							
1955-56	.	.	.	.	94	96	
1956-57	.	.	.	.	108	107	
1957-58	.	.	.	.	111	112	
1958-59	.	.	.	.	121	118	
1959-60	.	.	.	.	126	123	
1960-61	.	.	.	.	125	124	100*
1961-62	.	.	.	.	126	127	104
1962-63	.	.	.	.	131	131	108
1963-64	.	.	.	.	138	137	113
1964-65	.	.	.	.	162	157	124
1965-66	.	.	.	.	174	169	132
1966-67	.	.	.	.	198	191	146
1967-68	.	.	.	.	228	213	159
<i>Calendar Years :</i>							
1955	.	.	.	.	92	96	
1956	.	.	.	.	105	105	
1957	.	.	.	.	112	111	
1958	.	.	.	.	118	116	
1959	.	.	.	.	125	121	
1960	.	.	.	.	126	124	
1961	.	.	.	.	126	126	103
1962	.	.	.	.	130	130	107
1963	.	.	.	.	135	134	111
1964	.	.	.	.	155	152	122
1965	.	.	.	.	172	166	130
1966	.	.	.	.	190	184	142
1967	.	.	.	.	222	209	157

*Relates to the period January to March, 1961.

5.3 : ALL INDIA CONSUMER PRICE INDEX NUMBERS (concl.)

					Working Class (1949 = 100)		Urban Non-Manual Employees (1960 = 100) General Index
					Food Index	General Index	
1966 —							
October	.	.	.	.	199	192	147
November	.	.	.	.	202	194	148
December	.	.	.	.	206	197	149
1967 —							
January	.	.	.	.	206	197	149
February	.	.	.	.	206	198	150
March	.	.	.	.	210	200	151
April	.	.	.	.	213	202	152
May	.	.	.	.	218	206	154
June	.	.	.	.	225	211	158
July	.	.	.	.	228	213	160
August	.	.	.	.	230	215	161
September	.	.	.	.	230	214	161
October	.	.	.	.	234	217	163
November	.	.	.	.	232	216	162
December	.	.	.	.	228	214	159
1968 —							
January	.	.	.	.	236	220	162
February	.	.	.	.	232	217	160
March	.	.	.	.	226	213	159
April	.	.	.	.	226	214	159
May	.	.	.	.	224	212	160
June	.	.	.	.	227	214	160
July	.	.	.	.	225	213	161
August	.	.	.	.	229** (198)	216**(178)	163
September	.	.	.	.	231** (200)	218**(179)	165
October	.	.	.	.	233** (201)	219**(180)	165
November	.	.	.	.	226** (195)	214**(176)	163

**New series of All India Index on base 1960 = 100 has been introduced with effect from August 1968 and are shown in brackets. The interim series on base 1949 = 100 has been simultaneously discontinued. Index numbers from August 1968 to November, 1968 on base 1949 = 100 have been estimated by equating 100 of the new series to 121.54 of the interim series in regard to General Index and 115.74 in regard to Food Index.

5'4 : INDEX NUMBERS OF WHOLESALE PRICES : RELATIVE PRICES OF MANUFACTURES AND AGRICULTURAL COMMODITIES

(1952-53 = 100)

						General index of wholesale prices	Prices of manufactures (finished products) as a proportion of the prices of agricultural com- modities
<i>Last month of</i>							
1955-56	.	.	.	.	.	98.1	106.2
1956-57	.	.	.	.	.	105.6	99.8
1957-58	.	.	.	.	.	105.4	106.0
1958-59	.	.	.	.	.	112.4	95.6
1959-60	.	.	.	.	.	118.9	99.2
1960-61	.	.	.	.	.	127.5	101.7
1961-62	.	.	.	.	.	123.5	104.8
1962-63	.	.	.	.	.	127.2	106.1
1963-64	.	.	.	.	.	139.2	94.5
1964-65	.	.	.	.	.	151.5	90.0
1965-66	.	.	.	.	.	172.3	86.0
1966-67	.	.	.	.	.	203.5	74.0
1967-68	.	.	.	.	.	200.1	76.7
<i>Average of months</i>							
1955-56	.	.	.	.	.	92.5	113.2
1956-57	.	.	.	.	.	105.3	101.1
1957-58	.	.	.	.	.	108.4	100.7
1958-59	.	.	.	.	.	112.9	94.8
1959-60	.	.	.	.	.	117.1	95.5
1960-61	.	.	.	.	.	124.9	99.2
1961-62	.	.	.	.	.	125.1	101.4
1962-63	.	.	.	.	.	127.9	130.1
1963-64	.	.	.	.	.	135.3	98.6
1964-65	.	.	.	.	.	152.7	86.5
1965-66	.	.	.	.	.	165.1	85.9
1966-67	.	.	.	.	.	191.3	78.4
1967-68	.	.	.	.	.	212.6	71.5

5.4 : INDEX NUMBERS OF WHOLESALE PRICES : RELATIVE PRICES
OF MANUFACTURES AND AGRICULTURAL COMMODITIES (concl'd.)

(1952-53 = 100)

						General index of wholesale prices*	Prices of manufac- tures (finished products) as a proportion of the prices of agricul- tural commodities
1966—							
January .	.	.	.	.	.	169.9	85.1
February .	.	.	.	.	.	169.5	85.8
March .	.	.	.	.	.	172.3	86.0
April .	.	.	.	.	.	176.5	84.5
May .	.	.	.	.	.	181.6	82.1
June .	.	.	.	.	.	186.4	80.9
July .	.	.	.	.	.	189.5	79.1
August .	.	.	.	.	.	192.0	77.6
September .	.	.	.	.	.	187.8	79.3
October .	.	.	.	.	.	189.9	79.5
November .	.	.	.	.	.	191.9	78.3
December .	.	.	.	.	.	194.4	77.7
1967—							
January .	.	.	.	.	.	198.7	75.8
February .	.	.	.	.	.	203.2	74.1
March .	.	.	.	.	.	203.5	74.0
April .	.	.	.	.	.	204.4	74.8
May .	.	.	.	.	.	208.4	74.0
June .	.	.	.	.	.	214.2	70.9
July .	.	.	.	.	.	220.5	67.6
August .	.	.	.	.	.	219.6	67.7
September .	.	.	.	.	.	220.3	68.9
October .	.	.	.	.	.	221.4	69.4
November .	.	.	.	.	.	215.7	70.5
December .	.	.	.	.	.	211.2	72.6
1968—							
January .	.	.	.	.	.	210.1	72.1
February .	.	.	.	.	.	205.6	74.2
March .	.	.	.	.	.	200.1	76.7
April .	.	.	.	.	.	205.0	76.1
May .	.	.	.	.	.	206.1	76.5
June .	.	.	.	.	.	205.9	76.4
July .	.	.	.	.	.	205.7	77.3
August .	.	.	.	.	.	215.7	73.5
September .	.	.	.	.	.	221.4	71.5
October .	.	.	.	.	.	220.5	71.7
November .	.	.	.	.	.	212.1	74.8
December .	.	.	.	.	.	206.5	77.1

*Average of weeks.

6.1 : INDIA'S FOREIGN EXCHANGE RESERVES

End of	Reserves@ (Rupees crores)			Total Reserves (In U.S. Dollars Million)	Transactions with I.M.F. (In U.S. Dollars Million)		
	Gold	Foreign Exchange	Total (2+3)		Drawings	Repurchases	Outstanding Repurchase Obligations
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1950-51	.	117.8	911.4	1029.2	2161.3	..	100.0
1955-56	.	117.8	784.6	902.4	1895.0	..	12.5
1956-57	.	117.8	563.3	681.1	1430.3	127.5	127.5
1957-58	.	117.8	303.4	421.2	884.5	72.5	200.0
1958-59	.	117.8	261.1	378.9	795.7	..	200.0
1959-60	.	117.8	245.1	362.9	762.1	..	150.0
1960-61	.	117.8	185.8	303.6	637.6	..	127.5
1961-62	.	117.8	179.5	297.3	624.3	250.0	250.0
1962-63	.	117.8	177.3	295.1	619.7	25.0	275.0
1963-64	.	117.8	188.0	305.8	642.2	..	225.0
1964-65	.	133.8	115.9	249.7	524.3	100.0	235.0
1965-66	.	115.9	182.1	298.0	625.8	137.5	287.5
1966-67	.	182.5	295.9	478.4	637.9	187.5	417.5
1967-68	.	182.5	356.1	538.6	718.1	90.0	450.0

1967-68 :

June	182.5	278.9	461.4	615.2	..	..	417.5
September	182.5	251.5	434.0	578.7	..	..	417.5
December	182.5	314.2	496.7	662.3	90.0	..	507.5
March	182.5	356.1	538.6	718.1	..	57.5	450.0

1968-69 :

June	182.5	357.3	539.8	719.8	..	..	450.0
September	182.5	383.2	565.7	754.2	..	..	450.0
October	182.5	399.3	581.8	775.7	..	..	450.0
November	182.5	367.4	549.9	733.2	..	..	450.0
December*	182.5	328.9	511.4	681.9	..	40.0	410.0

@ Include (a) 7.1 million ounces of gold till January 7, 1965, 7.4 million ounces till January 21, 1965, 7.7 million ounces till February 18, 1965, 8 million ounces till February 27, 1966 and 7 million ounces thereafter. Gold has been valued at Rs. 53.58 per 10 grams upto May 1966, and at Rs. 84.39 per 10 grams thereafter following the change in the par value of the rupee; but in the Reserve Bank of India's Weekly Statement of Affairs (*vide* Table No. 2 of their Bulletin) gold continues to be valued at the statutory rate of Rs. 53.58 per 10 grams; (b) Foreign assets of the R.B.I., (c) Government balances held abroad, and (d) borrowings from the I.M.F.

1. Figures below the line are not comparable with those above the line due to devaluation of the rupee in June, 1966.

2. Data on transactions with I.M.F. shown against end-months relate to the quarter ending the particular month.

*Provisional.

(b) Grants (excluding PL 480 Title I grants)	30.5	22.8	20.1	29.4	34.7	60.4	87.7	52.7	14.2
(c) PL 480 Title I (Gross)	86.3	121.4	167.3	229.4	250.2	308.9	292.9	97.7	78.2
Total (a+b+c)	342.1	450.5	566.8	701.1	745.7	932.1	1123.5	311.7	286.7
11. Drawings from the IMF (Gross)	119.1	11.9	...	47.6	65.5	89.3	67.6	..	..
12. Decline in reserves (+)/Increase(-)	6.3	2.3	-10.8	56.2	-48.3	36.5	-70.8	17.1	-1.3
Total (10 to 12)	467.5	464.7	556.0	804.9	762.9	1057.9	1120.3	328.8	285.4

NOTE: Figures shown in this table for some items do not correspond with the similar statistics published by the Reserve Bank of India. The difference is due to adjustments made in the above table in receipts and payments in respect of PL 480 assistance which have been grouped together under External Assistance and Imports respectively, and excluded from other heads of account. The presentation of balance of payments statistics in the table above also differs from adjusted balance of payments tables in issues of the Economic Survey prior to 1966-67. In the table above, interest and service payments on foreign loans and credits (unlike in those issues) are inclusive of payments in respect of loans repayable in Rupees.

1. Exclude freight on P.L. 480 imports initially borne by India but subsequently refunded by the U.S. authorities.
2. Exclude receipts on account of freight on P.L. 480 imports initially borne by India but subsequently refunded by the U.S. authorities, and U.S. Embassy expenditure out of P.L. 480 Title I funds and miscellaneous receipts out of P.L. 665; these also exclude grants under Colombo Plan, P.L. 480 Titles I, II and III, etc.
3. Receipts by way of drawings on loans extended to private sector under the external assistance programme including loans out of Cooley Fund and corresponding amortization payments are excluded from items 7(a)(i) and 7(d)(ii) and are included under items 10(a) and 7(c) respectively.
4. Include all official capital transactions not enumerated separately but exclude changes in P.L. 480/665 balances.
5. The net movement shown here has been adjusted to exclude changes in Cooley Fund account balances arising out of disbursement by way of loans and transfers from and to other accounts.
6. Includes those payable in Rupees as follows:—

(Rs. crores)

Payable in Rupees, other than R.P.A. :	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	April—June 1967	1968
1. Interest and service payments on foreign loans and credits	7.8	13.3	18.6	21.6	32.6	45.9	54.0	12.5	13.6
2. Amortisation payments	4.1	6.1	10.4	11.6	14.6	25.7	28.6	5.6	6.2

@1. Exclude special food assistance from Canada, Australia, U.S.S.R. and other countries.

2. The rupee equivalent of all foreign currency transactions upto end—May 1966 has been arrived at by applying the pre-devaluation exchange rates and of those during the subsequent period by using the current exchange rates.

6.3 : INDIA'S BALANCE OF PAYMENTS (ADJUSTED)

	Third Plan Annual Average		1966-67		1967-68	
	Rs. crores	\$ million	Rs. crores	\$ million	Rs. crores	\$ million
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Imports ¹ —c.i.f.	1206.0	2532.6	1885.6@	2694.0@	2042.8	2723.7
(a) P.L. 480 Title I	170.9	358.9	308.9	447.2	292.9	390.5
(b) Others	1035.1	2173.7	1576.7	2246.8	1749.9	2333.2
2. Exports—f.o.b.	747.0	1568.7	1079.3	1534.8	1254.6	1672.8
3. Trade Balance (2—1)	—459.0	—963.9	—806.3	—1159.2	—788.2	—1050.9
4. Non-monetary gold movement (net)	3.2	6.7	..	..	..	..
5. Invisibles—						
(i) Receipts ²	181.4	380.9	248.6	355.5	280.7	374.3
(ii) Payments	237.1	497.9	400.8	569.7	440.8	587.7
of which interest and service pay- ments on foreign loans	(67.6)	(142.0)	(148.4)	(211.1)	(167.7)	(223.6)
(iii) Net	—55.7	—117.0	—152.2	—214.2	—160.1	—213.5
6. Current Account (Net)	—511.5	—1074.2	—958.5	—1373.4	—948.3	—1264.4
7. Capital Transactions—						
(a) Private ³						
(i) Receipts	34.0	71.4	21.5	30.3	28.4	37.9
(ii) Payments	41.2	86.5	40.3	58.6	43.7	58.3
(iii) Net	—7.2	—15.1	—18.8	—28.3	—15.3	—20.4

(b) Government¹

(i) Receipts	99.2	208.3	154.7	218.2	250.6	334.1
(ii) Payments	72.5	152.2	70.5	99.7	110.3	147.1
(iii) Net	26.7	56.1	84.2	118.5	140.3	187.0
c) Amortisation payments ² (Gross)	—66.5	—139.7	—143.7	—201.5	—186.5	—248.7
(d) Repurchase of rupees from IMF	—33.6	—70.5	—43.1	—57.5	—43.2	—57.6
(e) Banking capital ³ (net)	—3.0	—6.3	6.0	2.8	18.3	24.4
8. Errors and Omissions	—16.1	—33.8	16.0	37.0	—85.6	—114.1
9. Total Deficit (6 to 8)	—611.2	—1283.5	—1057.9	—1502.4	—1120.3	—1493.7

Financed by :**10. External Assistance—**

(a) Loans (excluding P.L. 480 loans)	362.8	761.9	562.8	792.5	742.9	990.5
(b) Grants (excluding P.L. 480 Title I grants)	27.5	57.7	60.4	87.3	87.7	116.9
(c) P.L. 480 Title I (Gross)	170.9	358.9	308.9	447.2	292.9	390.5
Total (a+b+c)	561.2	1178.5	932.1	1327.0	1123.5	1498.0
11. Drawings from the IMF (Gross)	48.8	102.5	89.3	187.5	67.6	90.1
12. Decline in reserves (+)/Increase (—)	1.2	2.5	36.5	—12.1	—70.8	—94.4
Total (10 to 12)	+611.2	1283.5	1057.9	1502.4	1120.3	1493.7

1. For footnotes, please refer to Table 6.2.

2. The change in reserves in 1967-68 would not tally with Table 6.1 where reserves have been marked down by \$14 million following the devaluation of the pound sterling in November 1967.

**6.4 : INDIA'S BALANCE OF PAYMENTS : INVISIBLES ON
CURRENT ACCOUNT
(Excluding Grants)**

(1)	Third Plan Annual Average		1966-67		1967-68	
	Rs. crores \$ million		Rs. crores \$ million		Rs. crores \$ million	
	(2)	(3)	(4)	(5)	(6)	(7)
1. Foreign Travel						
Receipts	15.3	32.1	2.2	3.0	3.2	4.3
Payments	11.0	23.1	14.7	21.8	15.1	20.1
Net	4.3	9.0	-12.5	-18.8	-11.9	-15.8
2. Transportation						
Receipts	52.9	111.1	81.1	115.2	93.9	125.2
Payments	28.7	60.3	45.6	64.5	59.7	79.6
Net	24.2	50.8	35.5	50.7	34.2	45.6
3. Insurance						
Receipts	8.4	17.6	11.3	16.1	12.2	16.3
Payments	5.4	11.3	5.3	7.5	6.8	9.1
Net	3.0	6.3	6.0	8.6	5.4	7.2
4. Investment Income						
Receipts	11.2	23.5	18.3	25.8	20.3	27.1
Payments	106.3	223.2	203.9	290.8	229.3	305.7
of which interest and service payments on foreign loans and credits	(67.6)	(142.0)	(148.4)	(211.1)	(167.7)	(223.6)
Net	-95.1	-199.7	-185.6	-265.0	-209.0	-278.6
5. Government, not included else- where						
Receipts ¹	15.1	31.7	17.0	23.6	24.3	32.4
Payments ²	20.8	43.7	23.0	32.2	24.7	32.9
Net	-5.7	-12.0	-6.0	-8.6	-0.4	-0.5
6. Miscellaneous						
Receipts ³	29.3	61.5	47.8	65.5	52.3	69.7
Payments	45.3	95.1	70.9	100.2	68.4	91.2
Net	-16.0	-33.6	-23.1	-34.7	-16.1	-21.5
7. Transfer Payments						
(a) <i>Official</i>						
Receipts	0.7	1.5	0.2	0.4	..	..
Payments ⁴	4.3	9.0	17.2	23.0	18.0	24.0
Net	-3.6	-7.5	-17.0	-22.6	-18.0	-24.0
(b) <i>Private</i>						
Receipts	48.5	101.8	70.7	106.3	74.5	99.3
Payments	15.2	31.9	20.2	29.6	18.8	25.1
Net	33.3	69.9	50.5	76.7	55.7	74.2
8. Total (1 to 7)						
Receipts	181.4	380.9	248.6	355.5	280.7	374.3
Payments	237.1	497.9	400.8	569.7	440.8	587.7
Net	-55.7	-117.0	-152.2	-214.2	-160.1	-213.5

1. Exclude freight on P.L. 480 imports initially borne by India but subsequently refunded by the U.S. authorities. Also exclude receipts from U.S. Embassy expenditure from P.L. 480 counterpart Funds.

2. Include Rs. 8.3 crores in each of the years 1961-62, 1962-63 and 1963-64, paid to the I.B.R.D. as India's contribution to the Indus Basin Development Fund under the terms of the Indus Water Treaty.

3. Exclude receipts out of P.L. 665 fund. Allocation of receipts to 'foreign travel', 'transfers' etc. for 1966-67 and 1967-68 is incomplete.

4. Include Rs. 8.3 crores in 1964-65 and 1965-66 and Rs. 13.0 crores in 1966-67 and 1967-68, paid to the I.B.R.D. as India's contribution to the Indus Basin Development Fund under the terms of the Indus Water Treaty.

NOTES :—(1) This table is a break-down of item 5 in table 6.3.

(2) The rupee equivalent of all foreign currency transactions upto end-May 1966 has been arrived at by applying the pre-devaluation exchange rates and of those during the subsequent period by using the current exchange rates.

(3) Constituent items may not always add up to total due to rounding.

6.5 : INDIA'S BALANCE OF PAYMENTS : SELECTED ITEMS OF CAPITAL ACCOUNT

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	1966-67			1967-68		
	Third Plan Annual Average					
	(1)	(2)	(3)	(4)	(5)	(7)
		Rs. crores	\$ million	Rs. crores	\$ million	Rs. crores
						\$ million
1. Private (non-banking)—						
Receipts		34.0	71.4	21.5	30.3	28.4
Payments		41.2	86.5	40.3	58.6	43.7
Net		-7.2	-15.1	-18.8	-28.3	-15.3
(a) Long-term —						
Receipts		28.0	58.8	14.6	20.9	19.5
Payments		34.6	72.7	31.1	43.4	28.5
Net		-6.6	-13.9	-16.5	-22.5	-9.0
(b) Short-term—						
Receipts		6.0	12.6	6.9	9.5	8.9
Payments		6.6	13.9	9.2	15.2	15.2
Net		-0.6	-1.3	-2.3	-5.7	-6.3
2. Banking (excluding R.B.I.)—						
Receipts		44.8	94.1	80.2	108.5	121.6
Payments		47.8	100.4	74.2	105.7	103.3
Net		-3.0	-6.3	6.0	2.8	18.3
3. Government : Miscellaneous—						
Receipts ¹		99.2	208.3	154.7	218.2	250.6
Payments		72.5	152.2	70.5	99.7	110.3
Net		26.7	56.1	84.2	118.5	140.3
4. Total of above items—						
Receipts		178.0	373.8	256.4	357.1	400.6
Payments		161.5	339.2	185.0	264.0	257.3
Net		16.5	34.6	71.4	93.1	143.3

1. Including amortisation receipts.

Notes :—(i) The break-down in this table is of items 7(a), 7(b) and 7(c) of table 6.2.

(ii) The rupee equivalent of all foreign currency transactions upto end-May 1966 has been arrived at by applying the pre-devaluation exchange rates and of those during the subsequent period by using the current exchange rates.

(iii) Constituent items may not always add up to total due to rounding.

6.6 : PRINCIPAL IMPORTS

Commodity	(In post devaluation rupees)											
	1960-61			1965-66			1966-67			1967-68		
	Rs. Crores	Million	\$	Rs. Crores	Million	\$	Rs. Crores	Million	\$	Rs. Crores	Million	\$
I	2	3	4	5	6	7	8	9	10	11	12	13
I. Consumer Goods	285.7	380.9	507.2	676.3	651.0	867.8	518.2	690.8	273.0	363.9	200.3	267.0
Cereals and Cereal Preparations	285.7	380.9	507.2	676.3	651.0	867.8	518.2	690.8	273.0	363.9	200.3	267.0
II. Raw Materials and Intermediate Manufactures	730.2	973.3	754.4	1005.7	669.3	892.1	782.7	1043.3	416.2	554.7	424.0	565.3
(a) Cashew Nuts (Unprocessed)	15.1	20.1	23.7	31.6	23.0	30.7	25.1	33.5	8.7	11.6	10.2	13.6
(b) Fibres	159.6	212.7	121.6	162.1	128.5	171.3	105.8	141.0	74.8	99.7	72.5	96.6
of which :												
(i) Raw Wool	16.4	21.9	8.1	10.8	11.8	15.7	11.8	15.7	8.1	10.8	5.6	7.5
(ii) Raw Cotton	128.8	171.7	72.8	97.0	56.5	75.3	83.5	111.3	59.2	78.9	64.9	86.5
(iii) Raw Jute	12.0	16.0	8.8	11.7	20.6	27.5	1.8	2.4	1.6	2.1	0.1	0.1
Petroleum Oils and Lubricants	109.1	145.4	107.5	143.3	63.1	84.1	74.8	99.7	32.0	42.6	49.6	66.2
(d) Animal and Vegetable Oils & Fats	7.2	9.6	24.2	32.3	14.8	19.7	33.4	44.5	22.2	29.6	7.7	10.3
(e) Fertilizers & Chemical Products	140.9	187.8	183.7	244.9	221.4	295.1	313.4	417.7	142.2	189.5	171.2	228.2
of which :												
(i) Fertilizers and Fertilizer Materials	23.4	31.2	81.4	108.5	124.9	166.5	204.7	272.9	82.3	109.7	113.4	151.2

(iii) Compounds	61.9	82.5	56.5	75.3	44.9	59.8	54.1	72.1	29.8	39.7	27.5	36.6
(iv) Dyeing, Tanning and Colouring materials	20.3	27.1	10.4	13.9	8.9	11.9	7.7	10.3	4.4	5.9	5.1	6.8
(v) Medicinal and Pharmaceutical Products	16.5	22.0	13.8	18.4	17.4	23.2	17.5	23.3	9.6	12.8	7.9	10.5
(f) Paper and Paper Boards & Manufactures thereof	19.1	25.5	21.1	28.1	21.7	28.9	17.6	23.5	9.5	12.7	10.8	14.4
(g) Non-metallic Mineral Manufactures	11.7	15.6	10.0	13.3	13.2	17.6	17.7	23.6	9.9	13.2	11.4	15.2
(h) Iron and Steel	193.0	257.3	154.3	205.7	97.9	130.5	106.2	141.6	61.2	81.6	45.5	60.7
(i) Non-ferrous Metals	74.5	99.3	108.3	144.4	85.7	114.2	88.7	118.2	55.7	74.2	45.1	60.1
III. Capital Goods	560.5	747.6	803.7	1071.4	593.4	791.2	510.4	680.4	252.4	336.6	277.2	369.6
(a) Manufactures of Metals	36.1	48.1	28.6	38.1	17.3	23.1	14.1	18.8	7.6	10.1	7.0	9.3
(b) Non-Electrical Machinery, Apparatus and Appliances	320.3	427.2	525.7	700.8	408.0	544.0	336.0	447.9	163.8	218.5	190.5	254.0
(i) Plant and Equipment	160.9	214.7	222.0	295.9	211.3	281.8	163.1	217.4	81.3	108.5	77.4	103.2
(ii) Components & Spares	159.4	212.5	303.7	404.9	196.7	262.2	172.9	230.5	82.5	110.0	113.1	150.8
(c) Electrical Machinery Apparatus and Appliances	90.1	120.2	138.3	184.4	105.9	141.2	84.0	111.9	45.4	60.5	45.1	60.2
(i) Plant and Equipment	67.1	89.5	70.6	94.1	52.0	69.3	34.2	45.5	20.3	27.0	11.1	14.8
(ii) Components and Spares	23.0	30.7	67.7	90.3	53.9	71.9	49.8	66.4	25.1	33.5	34.0	45.4
(d) Transport Equipment	114.0	152.1	111.1	148.1	62.2	82.9	76.3	101.8	35.6	47.5	34.6	46.1
(i) Complete Equipment	42.7	57.0	29.0	38.7	23.6	12.7	13.5	18.1	6.0	8.1	6.6	8.8
(ii) Components & Spares	71.3	95.1	82.1	109.4	38.6	70.2	62.8	83.7	29.6	39.4	28.0	37.3
IV. Others : Unclassified	218.6	291.5	153.1	204.5	164.7	219.4	163.0	217.2	75.7	100.9	56.9	75.6
Total	1795.0	2393.3	2218.4	2957.9	2078.4	2770.5	1974.3	2631.7	1017.3	1356.1	958.4	1277.5

Source : D.G.C.I. & S.

6.7 : EXPORTS OF PRINCIPAL COMMODITIES

Value in Rs. crores
(Post devaluation)

Commodity	Unit of Quantity	April-September											
		1960-61			1965-66			1966-67			1967-68		
		Quan- tity	Value	Quan- tity	Value	Quan- tity	Value	Quan- tity	Value	Quan- tity	Value	Quan- tity	Value
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1. Jute Manufactures .	'000 tonnes	799	212.9 (283.8)	900	288.0 (383.9)	736	249.5 (332.6)	753	234.1 (312.1)	394	122.6 (163.4)	354	105.8 (141.0)
2. Tea .	Million kgs.	199	194.7 (259.5)	197	180.9 (241.1)	190	158.4 (211.1)	203	180.2 (240.2)	79	72.4 (96.5)	99	83.6 (111.4)
3. Cotton Fabrics .	Value	..	90.6 (120.8)	...	87.4 (116.5)	..	63.7 (84.9)	..	65.4 (87.1)	..	30.8 (41.1)	..	34.2 (45.6)
(i) Mill-Made .	Million Sq. Metres	602	83.1 (110.8)	513	74.3 (99.0)	402	56.3 (75.0)	425	59.6 (79.4)	194	28.2 (37.6)	223	32.1 (42.8)
(ii) Handloom .	Million Metres	26	7.5 (10.0)	40	13.1 (17.5)	35	7.4 (9.9)	25	5.8 (7.7)	11	2.6 (3.5)	8	2.1 (2.8)
4. Iron Ore .	Million tonnes	3	26.8 (35.7)	12	66.3 (88.4)	13	70.2 (93.6)	14	74.8 (99.7)	5	28.5 (38.0)	7	38.3 (51.1)
5. Oil Cakes .	'000 tonnes	433	22.5 (30.0)	829	54.6 (72.8)	822	50.0 (66.7)	746	45.5 (60.7)	328	20.0 (26.7)	419	24.3 (32.4)
6. Leather and Leather Manufactures .	Value	..	39.3 (52.4)	..	44.8 (59.7)	..	62.1 (82.8)	..	53.5 (71.3)	..	27.7 (36.9)	..	35.4 (47.2)
7. Cashew Kernels .	Million kgs.	44	29.8 (39.7)	51	43.1 (57.5)	50	45.5 (60.7)	51	43.0 (57.3)	26	21.3 (28.4)	35	33.1 (44.1)
8. Tobacco .	Million kgs.	47	24.8 (33.1)	59	33.3 (44.4)	39	22.5 (30.0)	57	35.6 (47.5)	36	23.9 (31.9)	40	25.0 (33.3)
9. Engineering Goods	Value	..	13.4 (17.9)	..	26.2 (34.9)	..	23.0 (30.7)	..	32.7 (43.6)	..	13.8 (18.4)	..	31.2 (41.6)
10 Coffee .	Million kgs.	20	11.4 (15.2)	27	20.4 (27.2)	26	15.8 (21.1)	34	18.2 (24.3)	23	13.0 (17.3)	23	14.2 (18.9)

11. Mica . . . Million kgs.	28	16.0 (21.3)	43	17.8 (23.7)	19	14.2 (18.9)	23	15.0 (20.0)	13	7.3 (9.7)	11	7.0 (9.3)
12. Sugar . . . '000 tonnes	56	3.8 (5.1)	311	16.5 (22.0)	354	16.1 (21.5)	228	15.9 (21.2)	141	8.3 (11.1)	61	2.0 (2.7)
13. Black Pepper . Million kgs.	17	13.4 (17.9)	26	17.5 (23.3)	22	12.7 (16.9)	25	13.1 (17.5)	10	5.2 (6.9)	8	4.0 (5.3)
14. Manganese Ore . '000 tonnes	1166	22.1 (29.5)	1352	17.4 (23.2)	1186	14.2 (18.9)	1047	17.1 (14.8)	481	5.3 (7.1)	603	6.5 (8.7)
15. Hides and Skins Raw and Fur Skins . Value	..	14.9 (19.9)	..	15.0 (20.0)	..	16.5 (22.0)	..	7.6 (10.1)	..	5.4 (7.2)	..	2.2 (2.9)
16. Raw Cotton . . '000 tonnes	33	13.7 (18.3)	36	15.3 (20.4)	33	11.8 (15.7)	45	14.8 (19.7)	25	8.1 (10.8)	16	6.4 (8.5)
17. Mineral, Fuels, Lubricants, etc. . Value	..	11.7 (15.6)	..	14.7 (19.6)	..	12.7 (16.9)	..	9.2 (12.3)	..	4.6 (6.1)	..	6.7 (8.9)
18. Iron and Steel (Excluding Ferro-Manganese and Ferro-Alloys). . Value	..	8.7 (11.6)	..	13.1 (17.5)	..	23.7 (31.6)	..	51.9 (69.2)	..	23.7 (31.6)	..	37.4 (49.9)
19. Chemicals and Allied Products . . Value	..	5.4 (7.2)	..	14.4 (19.2)	..	10.9 (14.5)	..	11.9 (15.9)	..	4.8 (6.4)	..	8.6 (11.5)
20. Fish and Fish Preparations . Million kgs.	20	7.3 (9.7)	15	10.7 (14.3)	20	17.5 (23.3)	20	18.0 (24.0)	9	8.6 (11.5)	11	9.2 (12.3)
21. Art Silk Fabrics . Million Metres	27	5.0 (6.7)	45	7.6 (10.1)	25	3.4 (4.5)	6	1.4 (1.9)	2	0.6 (0.8)	10	1.8 (2.4)
22. Footwear . . Million pairs	5	4.9 (6.5)	9	8.2 (10.9)	12	8.8 (11.7)	11	9.2 (12.3)	3	3.0 (4.0)	4	2.5 (3.3)
23. Vegetable Oils (Essential and Non-Essential) . . Million kgs.	63	19.9 (26.5)	25	10.1 (13.5)	14	6.6 (8.8)	17	7.7 (10.3)	5	2.8 (3.7)	35	11.1 (14.8)
Total (including others)		1039.8 (1386.4)		1268.9 (1691.8)		1156.5 (1541.6)		1198.7 (1598.0)		572.3 (763.1)		672.3 (896.4)

NOTE : Figures in brackets are in million U. S. dollars.

Source : D.G.C.I. & S.

6.8 : SHARE OF IMPORTS IN TOTAL ESTIMATED SUPPLIES

(a) Total estimated supplies.
(b) Percentage of imports to total estimated supplies.

S.No.	Commodity	Unit of Account	1950-51	1955-56	1960-61	1965-66	1967-68
1.	Foodgrains	(a) . (b) .	60.6 (5.9)	71.9 (1.7)	84.4 (4.7)	86.6 (9.5)	89.3 (9.7)
2.	Raw Cotton	(a) . (b) .	39.9 (27.8)	49.6 (12.3)	58.4 (16.4)	64.3 (10.9)	65.9 (10.3)
3.	Raw Jute	(a) . (b) .	60.7 (35.1)	51.8 (21.6)	54.8 (8.6)	64.0 (17.5)	63.6 (15.1)
4.	Sugar Mill Machinery	(a) . (b) .	100 (100)	419 (95.2)	545 (19.3)	766 (0.8)	862 (1.4)
5.	Textile Machinery	(a) . (b) .	N.A. (N.A.)	1233 (67.6)	3361 (69.1)	5002 (56.8)	4145 (67.2)
6.	Machine Tools—metal working	(a) . (b) .	295 (89.8)	528 (84.8)	1993 (64.8)	6093 (61.8)	5915 (64.7)
7.	Iron & Steel	(a) . (b) .	1391 (25.2)	2162 (39.9)	3715 (35.7)	5416 (16.7)	4513 (11.5)
8.	Aluminium	(a) . (b) .	14.7 (72.8)	23.5 (68.5)	33.7 (58.1)	80.8 (25.1)	139.2 (27.9)
9.	Soda Ash	(a) . (b) .	75 (40.0)	154 (46.7)	251.6 (39.6)	366.7 (9.7)	375.5 (1.1)
10.	Caustic Soda	(a) . (b) .	34 (64.7)	96.0 (62.5)	139.8 (27.7)	292.2 (25.4)	289.1 (2.8)
11.	Bleaching Powder	(a) . (b) .	9.4 (61.7)	8.2 (61.0)	7.7 (20.8)	9.2 (20.7)	9.5 (7.4)

12. Bicycles	(a) (b)	264 (62.5)	661 (22.4)	1071 (Neg.)	1582 (Neg.)	1683 (Neg.)
13. Sewing Machines	(a) (b)	56 (41.1)	125 (11.2)	304 (0.3)	433 (0.7)	371 (0.5)
14. Newsprint	(a) (b)	76.3 (100)	84 (95.2)	96 (76.0)	115 (73.9)	113 (72.6)
15. Paper & Paper Boards etc.	(a) (b)	151 (23.2)	260 (26.9)	378 (7.4)	584 (4.5)	1645 (2.6)
16. Ammonium Sulphate	(a) (b)	423 (88.9)	607 (34.1)	755 (47.3)	1273 (67.0)	1455 (72.0)
17. Man-made fibre and yarn	(a) (b)	N.A. (N.A.)	31.9 (20.7)	84.2 (25.4)	125.5 (6.0)	149.3 (2.9)

NOTES:—(1) In the case of raw cotton and raw jute, the total estimated supplies are for crop/agricultural years. In the case of foodgrains, production is for agricultural years and imports for financial years.

(2) In the case of foodgrains, raw cotton and raw jute figures under the years 1950-51, 1955-56, 1960-61 and 1965-66 are the three years moving averages of a year before, the year concerned and a year after. However, for 1967-68, the average refers to the years 1965-66, 1966-67 and 1967-68.

(3) Imports of Ammonium Sulphate relate to those imported for Central Fertilizer Pool.

(4) For man-made fibre and yarn, production relates to calendar years and imports to fiscal years.

(5) Textile machinery excludes Jute textile machinery.

(6) For sugar mill machinery, textile machinery and machine tools (metal working) the import portion of estimated supplies in 1967-68 is in post devaluation rupees. If the import portion is expressed in pre-devaluation parity for rupee, the position for 1967-68 is as follows:—

	Estimated supplies (Rs. lakhs)	Imports as per cent of estimated supplies
1. Sugar mill machinery	858	0.9
2. Textile machinery	3129	56.5
3. Machine tools—metal working	4518	53.8

7.1 EXTERNAL ASSISTANCE (SUMMARY)

(Rs. crores)

	Loans and Credits Repayable in		Grants	Total (2+3+4)	Assistance under U.S. P.L. 480/665 etc.	Grand Total
	Foreign Currency	Rupees				
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A. AUTHORISATIONS :						
1. Upto the end of First Plan .	212.26	14.61	137.96	364.83]	16.92	381.75
2. During Second Plan . . .	1049.36	229.59	121.46	1400.41	1130.73	2531.14
3. During Third Plan . . .	2303.44	49.55	132.29	2485.28	450.63	2935.91
4. 1966-67 . . .	1045.90	24.75	77.68	1148.33	306.82	1455.15
	(104.93)	(—)	(0.82)	(105.75)	(149.28)	(255.03)
5. 1967-68 . . .	477.65	...	16.02	493.67	242.93	736.60
6. April-Sept. 1968-69@ .	387.09	...	33.88	420.97	...	420.97
Total Authorisations .	5475.70	318.50	519.29	6313.49	2148.03	8461.52
	(104.93)	(—)	(00.82)	(105.75)	(149.28)	(255.03)
B. UTILISATIONS :						
1. Upto the end of First Plan .	124.13	2.29	70.18	196.60	5.07	201.67
2. During Second Plan . . .	607.92	116.82	160.64	885.38	544.81	1430.19
3. During Third Plan . . .	1751.86	156.38	106.06	2014.30	853.22	2867.52
4. 1966-67 . . .	626.67	9.44	92.68	728.79	324.03	1052.82
	(65.50)	(1.72)	(3.74)	(70.96)	(62.10)	(133.06)
5. 1967-68 . . .	821.14	4.09	53.65	878.88	310.85	1189.73
6. April-Sept. 1968-69@ .	366.46	4.17	19.43	390.06	84.09	474.15
Total Utilisations .	4298.18	293.19	502.64	5094.01	2122.07	7216.08
	(65.50)	(1.72)	(3.74)	(70.96)	(62.10)	(133.06)

NOTE :—(1) Figures in brackets represent amounts authorised/utilised during the pre-devaluation period i.e. from April 1 to June 5, 1966.

(2) Data incorporate adjustments on account of debt relief.

@ Provisional.

7.2 : AUTHORISATIONS OF EXTERNAL ASSISTANCE CLASSIFIED BY SOURCE

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		(Rs. crores)					
Source		Upto the end of First Plan	Second Plan	Third Plan	1966-67	1967-68	1958-69* (April-Sept.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I. Consortium Members	Total	303.55	2142.15	2723.62	1093.74 (255.03)	717.79	406.74
(a) Loans Repayable in Foreign Currency.		147.52	667.30	2115.01	699.04 (104.93)	466.40	374.72
(b) Loans Repayable in Rupees		14.61	229.59	49.55	24.75	...	...
(c) Grants		124.50	114.53	108.43	63.13 (0.82)	8.46	32.02
(d) Commodity Assistance		16.92	1130.73	450.63	306.82 (149.28)	242.93	...
(i) Austria	Loans	...	...	8.49	3.53	3.75	1.05
(ii) Belgium	Loans	...	...	11.42	0.90	1.87	...
(iii) Canada	Loans	...	15.71	30.97	40.77 (0.97)	52.15	4.71
	Grants	32.34	57.10	85.05	57.67	8.46	27.79
	Total	32.34	72.81	116.02	98.44 (0.97)	60.61	32.50
(iv) Denmark	Loans Repayable in:						
	(a) Foreign Currency	...	...	1.38	2.07 (2.07)	3.00	4.00
	(b) Rupees	...	...	1.03	...	...	...
	TOTAL	...	...	2.41	2.07 (2.07)	3.00	4.00

(contd.)

7.2: AUTHORISATIONS OF EXTERNAL ASSISTANCE CLASSIFIED BY SOURCE (contd.)

		(Rs. crores)					
Source		Upto the end of First Plan	Second Plan	Third Plan	1966-67	1967-68	1968-69 * (April-Sept.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(v) France	Loans	...	...	70.46	22.50	...	22.50
(vi) Germany, West	Loans	...	133.14	308.01	45.00	52.31	42.89
	Grants	...	2.09	0.47	1.44	...	3.64
	TOTAL	...	135.23	308.48	46.44	52.31	46.53
(vii) Italy	Loans	...	...	80.95	25.50	...	...
(viii) Japan	Loans	...	26.81	137.97	33.75	39.00	12.61
	Grants	...	0.35	0.13	...	...	...
	TOTAL	...	27.16	138.10	33.75	39.00	12.61
(ix) Netherlands	Loans	...	...	22.80	8.24	8.24	7.33
(x) United Kingdom	Loans	...	122.66	241.97	63.03 (29.33)	61.50	28.80
	Grants	...	0.42	0.99	0.09	...	...
	TOTAL	...	123.08	242.96	63.12 (29.33)	61.50	28.80
(xi) U.S.A.	(i) Loans Repayable in:						
	(a) Foreign Currency	90.31	108.53	786.84	201.75 (72.56)	214.58	239.58
	(b) Rupees	14.61	229.59	48.52	24.75	...	...
	(ii) Grants	91.77	54.57	21.79	3.93 (0.82)	...	0.59

(*) 27.17 @

		(iii) Commodity As- sistance.	16·92	1130·73	450·63	306·82 (149·28)	242·93	..
		(iv) Total	213·61	1523·42	1307·78	537·25 (222·66)	457·51	240·17
(iii) I.B.R.D..	.	Loans	57·21	260·45	135·98	22·50	30·00	11·25
(iii) I.D.A.	.	Loans	...	...	277·77	229·50	...	...
2. U.S.S.R. & East European Countries.		TOTAL	64·74	376·67	174·09	346·24	11·25	...
		(i) Loans	64·74	375·52	169·88	343·38	11·25	...
		(ii) Grants	...	1·15	4·21	2·86	...	...
(i) Bulgaria	.	Loans	...	...	...	...	11·25	...
(ii) Czechoslovakia	.	Loans	...	23·10	40·00	...	...	...
		Grants	...	...	0·40	...	...	...
		TOTAL	...	23·10	40·40	...	...	...
(iii) Hungary	.	Loans	...	...	...	25·00	...	...
(iv) Poland	.	Loans	...	14·30	27·00	...	...	...
(v) U.S.S.R.	.	Loans	64·74	319·07	100·50	258·38	...	...
		Grants	...	1·15	3·81	2·86	...	...
		TOTAL	64·74	320·22	104·31	261·24	...	...
(vi) Yugoslavia	.	Loans	...	19·05	2·38	60·00	...	...
3. Others	.	TOTAL	13·46	12·32	38·20	15·17	7·56	14·23
		(i) Loans	...	6·54	18·55	3·48	...	12·37

(contd.)

7.2: AUTHORISATIONS OF EXTERNAL ASSISTANCE CLASSIFIED BY SOURCE (concl.)

(Rs. crores)						
Source	Upto the end of First Plan			Second Plan	Third Plan	1968-69* (April-Sept.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
						(8)
(ii) Grants						
(i) Australia	.	13.46	5.78	19.65	11.69	7.56
	.	11.08	2.20	12.39	8.89	7.56
(ii) New Zealand	.	1.72	1.71	0.85	0.17	...
(iii) Norway
	1.50
	.	0.66	1.87	2.60	0.65	1.57
	.	0.66	1.87	2.60	0.65	3.07
(iv) Sweden	2.21	3.48	10.87
	3.81	1.98	...
	6.02	5.46	10.87
(v) Switzerland	6.54	16.34	...	...
GRAND TOTAL	.	381.75	2531.14	2935.91	1455.15 (255.03)	736.60
						420.97

(i) Loans repayable in :

(a) Foreign Currency	212.26	1049.36	2303.44	1045.90 (104.93)	477.65	387.09
(b) Rupees	14.61	229.59	49.55	24.75	...	...
(ii) Grants	137.96	121.46	132.29	77.68 (0.82)	16.02	33.88
(iii) Commodity Assistance	16.92	1130.73	450.63	306.82 (149.28)	242.93	...

NOTE :— Figures in brackets represent amounts authorised during the pre-devaluation period i.e. from April 1 to June 5, 1966.

*Provisional

@ Deobligations etc. on account of previous loans.

7.3 : UTILISATIONS OF EXTERNAL ASSISTANCE CLASSIFIED BY SOURCE

Source		Upto the end of 1st Plan	Second Plan	Third Plan	1966-67	1967-68	1968-69* (April- Sept.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Consortium Members . Total . . .		195.48	1341.98	2602.81	972.51 (124.53)	1118.66	435.28
(a) Loans repayable in Foreign Currency . . .		124.13	533.07	1504.93	566.76 (56.97)	757.63	328.72
(b) Loans repayable in Rupees		2.29	116.82	156.38	9.44 (1.72)	4.09	4.17
(c) Grants		63.99	147.28	88.28	72.28 (3.74)	46.09	18.30
(d) Commodity Assistance . . .		5.07	544.81	853.22	324.03 (62.10)	310.85	84.09
(i) Austria	Loans . . . . .	...	...	4.70	3.57 (0.28)	3.20	2.36
(ii) Belgium	Loans . . . . .	...	...	4.89	...	1.88	0.56
(iii) Canada	Loans . . . . .	...	15.71	11.54	11.16 (1.20)	17.87	13.84
	Grants	19.70	60.30	54.36	66.51 (3.10)	43.80	16.92
	Total	19.70	76.01	65.90	77.67 (4.30)	61.67	30.76
(iv) Denmark		(i) Loans repayable in:					
	(a) Foreign Currency	...	...	...	2.08 (0.24)	2.86	1.26
	(b) Rupees . . . . .	...	...	0.60	0.48 (0.13)	0.01	...
	Total . . . . .	...	...	0.60	2.56 (0.37)	2.87	1.26

(v) France	.	.	Loans	.	.	...	20.95	4.31	28.71	1.39
(vi) Germany, West	.	.	Loans	.	.	...	219.74	61.29 (4.10)	73.05	28.86
	.	.	Grants	.	.	...	1.91	1.24	...	...
	.	.	Total	.	.	...	221.65	62.53 (4.10)	73.05	28.86
(vii) Italy	.	.	Loans	.	.	...	11.65	0.11 (0.10)	1.46	...
(viii) Japan	.	.	Loans	.	.	...	88.22	26.72 (6.00)	46.66	55.16
	.	.	Grants	.	.	...	0.13	...	...	...
	.	.	Total	.	.	...	88.35	26.72 (6.00)	46.66	55.16
(ix) Netherlands	.	.	Loans	.	.	...	9.51	6.23 (0.61)	8.38	3.10
(x) U.K.	.	.	Loans	.	.	...	170.42	88.21 (4.02)	80.62	26.96
	.	.	Grants	.	.	...	0.80	0.10	...	...
	.	.	Total	.	.	...	171.22	88.31 (4.02)	80.62	26.96
(xi) U.S.A.	.	.	(i) Loans repayable in:							
	.	.	(a) Foreign Currency	.	.	90.31	639.38	210.11 (27.23)	296.39	144.41
	.	.	(b) Rupees	.	.	2.29	155.78	8.96 (1.59)	4.08	4.17
	.	.	(ii) Grants	.	.	44.26	31.08	4.43 (0.64)	2.29	1.38
	.	.	(iii) Commodity Assistance	.	.	5.07	853.22	324.03 (62.10)	310.85	84.09
	.	.	Total	.	.	141.93	1679.46	547.53 (91.56)	613.61	234.05
(xii) I.B.R.D.	.	.	Loans	.	.	33.82	123.37	24.51 (2.25)	34.00	19.07
(xiii) I.D.A.	.	.	Loans	.	.	...	200.56	128.46 (10.94)	162.55	31.75

(contd.)

7.3 : UTILISATIONS OF EXTERNAL ASSISTANCE CLASSIFIED BY SOURCE—(concl.)

		(Rs. crores)					
Source		Upto the end of 1st Plan	Second Plan	Third Plan	1966-67	1967-68	1968-69* (April- Sept.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2. U.S.S.R. and East Euro- pean Countries							
	Total	...	76.00	245.10	52.83 (7.43)	59.11	36.51
	Loans	...	74.85	240.89	51.47 (7.43)	59.11	36.51
	Grants	...	1.15	4.21	1.36 (—)	...	...
(i) Bulgaria	Loans	...	...	...	...	...	...
(ii) Czechoslovakia	Loans	...	...	12.61	12.64 (0.81)	7.43	7.70
	Grants	...	...	0.40	...	...	...
	Total	...	...	13.01	12.64 (0.81)	7.43	7.70
(iii) Poland	Loans	...	...	11.34	0.90 (0.14)	1.80	...
(iv) U.S.S.R.	Loans	...	74.85	207.23	33.57 (4.37)	46.44	25.89
	Grants	...	1.15	3.81	1.36	...	...
	Total	...	76.00	211.04	34.93 (4.37)	46.44	25.89
(v) Yugoslavia	Loans	...	...	9.71	4.36 (2.11)	3.44	2.92
3. Others	Total	6.19	12.21	19.61	27.48 (1.10)	11.96	2.36

(i) Loans		...	...	6.04	8.44 (1.10)	4.40	1.23
(ii) Grants		6.19	12.21	13.57	19.04	7.56	1.13
(i) Australia	Grants	5.20	7.44	7.03	15.95	7.56	0.56
(ii) New Zealand	Grants	0.33	2.90	0.45	0.23	...	0.06
(iii) Norway	Grants	0.66	1.87	2.60	0.65	...	0.51
(iv) Sweden	Loans	...	...	...	1.45	1.30	0.98
	Grants	...	...	3.49	2.21	...	...
	Total	...	...	3.49	3.66	1.30	0.98
(v) Switzerland	Loans	...	...	6.04	6.99 (1.10)	3.10	0.25
Grand Total		201.67	1430.19	2867.52	1052.82 (133.06)	1189.73	474.15
(i) Loans repayable in :							
(a) Foreign Currency		124.13	607.92	1751.86	626.67 (65.50)	821.14	£ 366.46
(b) Rupees		2.29	116.82	156.38	9.44 (1.72)	4.09	4.17
(ii) Grants		70.18	160.64	106.06	92.68 (3.74)	53.65	19.43
(iii) Commodity Assistance		5.07	544.81	853.22	324.03 (62.10)	310.85	84.09

NOTE :—Figures in brackets represent amounts utilised during the pre-devaluation period i.e., from April 1 to June 5, 1966.
*Provisional

7.4 : ASSISTANCE FROM AID INDIA CONSORTIUM AS OF
30TH SEPTEMBER, 1968

(U.S. \$ Million)

Members	Value of agreements signed	Amount disbursed
A. Total all pledges 1961-62 — 1965-66	4653·8	3982·3
1. Austria	17·9	15·7
2. Belgium	24·0	10·3
3. Canada	167·4	131·6
4. France	120·0	76·6
5. Germany, West	644·2	569·3
6. Italy	170·8	25·4
7. Japan	290·0	239·8
8. Netherlands	44·0	40·4
9. United Kingdom	444·0	400·6
10. U.S.A.	1742·1	1633·0
11. I.B.R.D.	340·0	206·0
12. I.D.A.	649·4	633·6
B. Total for 1966-69 (commitments)	1716·5	976·3
1. Austria	10·7	6·3
2. Belgium	3·7	3·2
3. Canada	129·8	24·3
4. Denmark*	9·3	1·6
5. France	60·0	11·7
6. Germany, West	188·1	71·5
7. Italy	34·0	1·9
8. Japan	124·7	93·1
9. Netherlands	31·7	9·7
10. U.K.	189·6	142·6
11. U.S.A.	719·9	395·4
12. I.D.A.	215·0	215·0

*Denmark joined the Consortium in 1968-69.

NOTE :—Besides, IBRD provided debt relief amounting to \$ 30 Million during 1967-68 and 1968-69.

ERRATA

Page	Paragraph No.	Line	For	Read
7	18	7	48000	47000
17	47	15	and had	and this had
37	112	3	1968-69	1967-68
	<i>Footnote—</i>		*This includes the authorisation of U.S. loan of \$225 million which was actually disbursed in May, 1968	*This excludes a U.S. loan of \$225 million, committed in 1967-68 but authorised in May, 1968
38	114	14	disbursement	authorisation
		15	authorised	committed
39	TABLE 12	Col. heading—Do—	1966-67 1967-68	1966-67** 1967-68**

Page	Table	Item	Col.	For	Read
70	1. 14	39(i)	..	Blank	(i) Mill Sector
84	4. 1	2(a)	5	blurred figure	17.
87	4. 3	VI	6	3653.89	2653.89
107	6. 5	Notes(i)	..	and 7(c)	and 7(e)
124	7. 4	B	Value of agreements signed	1716.5	1701.8
		B(8)	Do.	124.7	113.7
		B(11)	Do.	719.9	716.2

